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## Venezuela's President To Face Trial for Theft

### Senate Vote Removes Pérez From Power During Supreme Court's Prosecution

**Compiled by Our Staff From Dispatches**  
**CARACAS** — The Venezuelan Senate voted unanimously Friday to authorize the Supreme Court to prosecute President Carlos Andrés Pérez for embezzlement.

The decision removes Mr. Pérez from office during the proceedings. He will be replaced by the president of the legislature, Octavio Lepage, until an interim president is named. Outside the heavily guarded National Congress Building, hundreds chanted slogans denouncing Mr. Pérez.

There was no sign of imminent unrest. Instability in Venezuela, one of the world's major oil producers, could unsettle oil markets. And, although there has also been apprehension that events might lead the military to seek an overthrow of the democratically elected government, there seemed no reason Friday for such concern. Venezuela is one of the continent's leading democracies.

Mr. Pérez is the second Latin American leader in six months to undergo impeachment proceedings. In December, President Fernando Collor de Mello of Brazil resigned as the Senate tried and convicted him on corruption charges.

The Venezuelan Senate vote, made with a show of hands, was supported by Mr. Pérez's Democratic Action Party, which said it was confident of a fair trial and acquittal.

In an emotional, sometimes defiant speech to the nation televised Thursday night, Mr. Pérez maintained his innocence. His voice sometimes broke as he outlined the gains that Venezuela had made under his presidency and blaming his problems on political conspiracy. He expressed fear that political and economic progress made under his stewardship would be reversed.

His fall gives another twist to the career of a grand old man of Latin American politics, a 70-

year-old survivor of jailings, exile, Communist guerrillas and, last year, two military coup attempts.

Residents of this capital greeted the news jubilantly, with whistles and firecrackers and the banging of pots.

"Honestly has triumphed," bellowed an opposition congressman, Orlando Fernández, as joyous crowds waved flags and celebrated outside the Congress building. The police fired tear gas to disperse a crowd of 1,000 people chanting anti-Pérez slogans.

Nevertheless, some business people worried about the political stability of Venezuela, which has the hemisphere's largest oil reserves. Its 35-year-old civilian democracy is Latin America's oldest.

Venezuela is the largest source of U.S. oil imports after Saudi Arabia, and per capita its 20 million inhabitants are Latin America's largest importers of American products.

Sometimes called "Miami with mountains," this highly Americanized capital is a mix of expressways, glass-sheathed high-rises and shantytowns, all cupped in a verdant bowl formed by the Andes.

"The oil will keep flowing, but our concern is over the economic reforms," an American diplomat said, echoing uncertainty about whether Venezuela's next president will continue Mr. Pérez's four-year campaign to dismantle state controls on the economy.

With the authorization vote, Mr. Lepage temporarily assumes power. Within 30 days of the impeachment vote, the legislature will elect an acting president to serve the remainder of Mr. Pérez's five-year term, which expires Feb. 2.

Regardless of the impeachment drive, candidates

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A wounded Bosnian Serb being helped by a fellow soldier during a mortar attack by Muslims near the northern Bosnian town of Brcko.

## Clinton Raises Doubts on Russian Plan For Bosnia

### He's Skeptical It Will Halt Fighting and Wary Of Safe Havens Concept

**Compiled by Our Staff From Dispatches**  
**WASHINGTON** — President Bill Clinton said Friday that he was skeptical about efforts to end the fighting in Bosnia-Herzegovina and warned that proposals to create "safe havens" there could lead to problems similar to those in Lebanon and Northern Ireland.

Asked after a meeting with Foreign Minister Andrei V. Kozirev of Russia if the United States was embracing the Russian plan to end the Bosnian war, Mr. Clinton replied: "We will try to reach an agreement about what we do next. As you know, the United States is skeptical that we'll be able to satisfactorily resolve this within the framework that has been proposed."

"We do want to work with our allies and we're trying to do our best to reach a joint position," he said. "It may happen, and I hope we can do it."

The president also expressed reservations about suggestions for setting up safe havens for Muslims in Bosnia.

"I don't want to see the United States get in a position where we're recreating Northern Ire-

The West's diagnosis: The Bosnian conflict is a risk to be avoided. Page 2.

land, Lebanon or Cyprus or anything else," said Mr. Clinton, who has advocated the use of military force to stop the fighting.

"There may be some potential down the road for something to be done in connection with the peacekeeping operation, but I think it's something we have to be very skeptical about," he said. "We don't want our people in there basically in a shooting gallery."

Asked if he would be content to allow Bosnian Serbs to hand over to the land they have captured, Mr. Clinton said the United States' goals were to contain the fighting and stop the killing.

"We believe in order to get that done, ultimately there will have to be some reasonable borders, some political solution to this which has a reasonable territorial component, and we'll just have to see what happens over the next few weeks," the president said.

The president's skepticism was in sharp contrast to the tone used by Mr. Kozirev, who said earlier that Washington and Moscow were "very, very close to an agreement but needed to consult European leaders."

"We are reaching for solutions for joint approaches to a tremendously complex issue," Mr. Kozirev said after the meeting at the White House with Mr. Clinton and Secretary of State Warren M. Christopher. "We are working together and we are very close and I'm sure we will reach some mutual plan of action."

Asked if Mr. Clinton had dropped his refusal to deploy U.S. ground troops to monitor and prevent arms shipments across the Serb-Bosnian border, Mr. Kozirev said it would be premature for him to comment until European nations were apprised of the U.S.-Russian talks.

*(Reuters, AP)*

*Elaine Sciolino of The New York Times reported earlier from Washington.*

The United States and Russia are working toward a common strategy with other European nations that accepts, at least for the moment, the territorial gains made by the Serbs in Bosnia.

The goal would no longer be to roll back any of the gains achieved by the Bosnian Serbs in 14 months of fighting, but rather, in the words of a senior administration official, "to contain and stabilize the situation and to put the brakes on the killing."

When asked whether this approach appeared to reward the "ethnic cleansing" campaign by the Bosnian Serbs, the official replied, "First things first."

The new strategy, which was discussed by Mr. Christopher and Mr. Kozirev in a meeting Thursday, would essentially set aside for now the overarching goal of the international peace plan mediated by Cyrus R. Vance and Lord Owen. That plan would require the Bosnian Serbs to withdraw from about half of the territory they hold.

Mr. Christopher declined to discuss the strategy in detail. "I think that we have agreed on a series of matters we want to discuss with our counterparts from France and the United

## Even the Aga Khan Feels Chill Wind of Recession

**By Roger Cohen**  
*New York Times Service*  
**PARIS** — Creditor banks moved Friday to seize the assets of companies owned by the Aga Khan, one of the world's wealthiest men.

The action, which includes the suspension of trading in the Aga Khan's holding company and the Ciga luxury hotel chain on the Milan stock exchange, culminated more than a year of mounting financial difficulties for the Aga Khan, whose far-flung investments in Italian tourism have suffered heavily from the recession.

A Milan stockbroker, Isidoro Albertini, said the situation at Fimpar, the Aga Khan's main holding company in Italy, came to a climax after the company was unable to service a \$100 million loan from a group of banks led by IMI Bank of Germany, a subsidiary of Italy's state-owned medium-term credit institute, Istituto Mobiliare Italiano.

The suspension of share trading was ordered by the Milan exchange's watchdog authority, Consob.

IMI on Friday formally requested the seizure of Fimpar's assets, which include a majority stake in Ciga, market officials announced.

Claudio Morelli, a spokesman for Fim-

par, described the action as a legal maneuver aimed at securing the bank pool's interests and said negotiations would continue on seeking a debt settlement.

For the Aga Khan, who is the leader of the Shia Imam Ismaili Muslims and is based at Ajman, near Paris, the suspension of his companies' shares underscored a dramatic reversal in his fortunes.

Through his personal wealth, which included real estate and thoroughbred race horses, has been estimated at \$1.4 billion, his businesses have suffered from a steep decline in attendance at his luxury hotels, problems in the development of his Costa Smeralda resort in Sardinia and the worsening of his debt problems because of the devaluation of the lira.

Ciga, whose flagship hotels include the Grand Hotel in Rome and the Danielli in Venice, has piled up debts of about \$680 million as the number of businessmen and tourists prepared to pay at least \$300 a night for a room has fallen sharply in the last two years.

The company has been in negotiations with a private group called Sirur for a sale of part of its activities.

But these talks fell through earlier this year after Sirur asserted it had found irregularities in Ciga's accounts.

Ciga rejected the accusations.

## GM Charges López With Stealing Secrets

**Compiled by Our Staff From Dispatches**  
**OKLAHOMA CITY** — General Motors Corp. said Friday that its German unit, Adam Opel AG, had filed a criminal complaint alleging document theft against José Ignacio López de Arriortua, the senior executive who recently left GM for Volkswagen AG.

Louis R. Hughes, president of GM Europe and executive vice president of GM's international operations, said at a news conference following the annual shareholders meeting that the complaint alleges that Mr. López, the former GM purchasing manager, took confidential GM documents when he left GM in March.

Mr. López attended a meeting of GM's European strategy board a week before he quit GM to join Volkswagen. GM's product plans for the next decade were discussed at the meeting.

GM's complaint also implicates other former GM employees who followed Mr. López to Volkswagen. Further details were not available.

The action is separate from an injunction issued earlier against Mr. López by a Frankfurt court to prevent him from systematically luring General Motors executives to Volkswagen.

Mr. López was instrumental in getting GM to cut its material costs in North America after being brought from GM's European operations about 13 months ago. He was even offered a job by GM's present chief executive, John F. Smith, to run GM's entire North American operations as an enticement to stay.

Referring to progress made in GM's American operations, Mr. Smith told shareholders that for the last 30 days, GM's passenger-car market share was 37.3 percent, "the best since last July," and in April the Chevrolet Cavalier was "the best-selling car in the United States."

GM's chief counsel, Harry Pearce, said it was actively seeking a telecommunications partner for its Electronic Data Services Corp. computer-services subsidiary.

Meanwhile, General Motors Europe announced that it had cut its forecast for European car sales in 1993. Industry analysts said new projections for the recession-hit market were the worst for 25 years.

*(AP, Knight-Ridder, Bloomberg, Reuters, AFX)*

## Communist Neglect, Capitalist Excess Make Moscow a Health Hazard

**By Margaret Shapiro**  
*Washington Post Service*  
**MOSCOW** — A few kilometers south of the Kremlin's pristine gold domes, a huge oil refinery spews foul-smelling haze over nearby apartment buildings, causing residents to complain of constant eye infections, sore throats and headaches. Trees lining a stretch of road near the plant stand leafless and lifeless next to a fern stream.

In another densely populated area of the city, old nuclear reactors at a rundown research institute continue to operate, despite warnings from Russia's former top inspector that they pose a serious threat to the city. Neighbors have armed themselves with Geiger counters.

Throughout Moscow, automobile pollution has got so heavy that vegetables grown in family garden plots near

roadways were found last summer to contain dangerously high lead levels. Moscow environmental officials, meanwhile, say that the snow that blankets the city for five months a year is contaminated with cadmium and other heavy metals.

Living in Moscow, as a recent report put it, can be hazardous to human health.

Moscow remains cleaner than such polluted capitals as Mexico City, Bangkok and Seoul, where skies are continually obscured by smog. But in what was the Soviet Union's showcase city, a combination of decades of industrial development at all cost, intense urban sprawl and minimal ecological planning has left a legacy of polluted air, earth and water.

Now Russia has no money to repair the damage. And what communism bequeathed, Russia's transition to unbridled capitalism has only made worse.

Moscow's streets, once eerily empty except for the speeding limousines of Communist Party bosses, now are clogged night and day with cars owned by Russia's booming class of the newly rich. The government statistical agency says about 870,000 cars are registered here, with thousands more using the streets each day. The number of trucks, which have much fouler exhaust emissions, is also unknown, officials said.

In any case, because cars here still use leaded gas and have little or no pollution controls, levels of pollutants well exceed acceptable norms, making driving or walking along major roads a health hazard, according to Moscow environmental officials.

Throughout the Moscow region, trees are being cut down and long dormant land is being turned over for new houses and other buildings, spreading dirt and dust, but also carry unhealthy levels of pollutants. Some of this excavation has also uncovered old dumps of toxic or radioactive waste buried decades ago. The city government recently built a new bread factory in a northeast section of Moscow on top of one of these radioactive dumps.

"No one ever thought about the effect on people, on the future," said Lyubov Rubinchik, director of the environmental monitoring group Socio-Ecological Union. "It was a principle underlying the development of the whole country."

See DIRTY, Page 6

See BOSNIA, Page 6

## Kiosk

### Ukraine Nuclear Plant Fire Kills One

**KIEV (Reuters)** — A fire broke out Friday at a nuclear power plant in Ukraine, killing one worker and seriously injuring another, local officials said. But they said there was no increased radiation and no danger to residents or the environment.

An official in the central Ukrainian city of Zaporizha said sparks from a welder's torch ignited hydrogen from a pipe in one of the plant's six reactors.

The station is 50 kilometers from Zaporizha, which has 900,000 people. The official quoted the plant's director as saying the incident was not linked to reactor processes.

## 4 Die in Bomb Blast Near Cairo Police Station

**CAIRO (Reuters)** — A bomb exploded outside a police station in central Cairo on Friday, killing 3 people and wounding 16 in what appeared to be an attack by Islamic militants. Earlier, a policeman was killed in a village in southern Egypt, the latest in a series of killings there apparently carried out by militants.

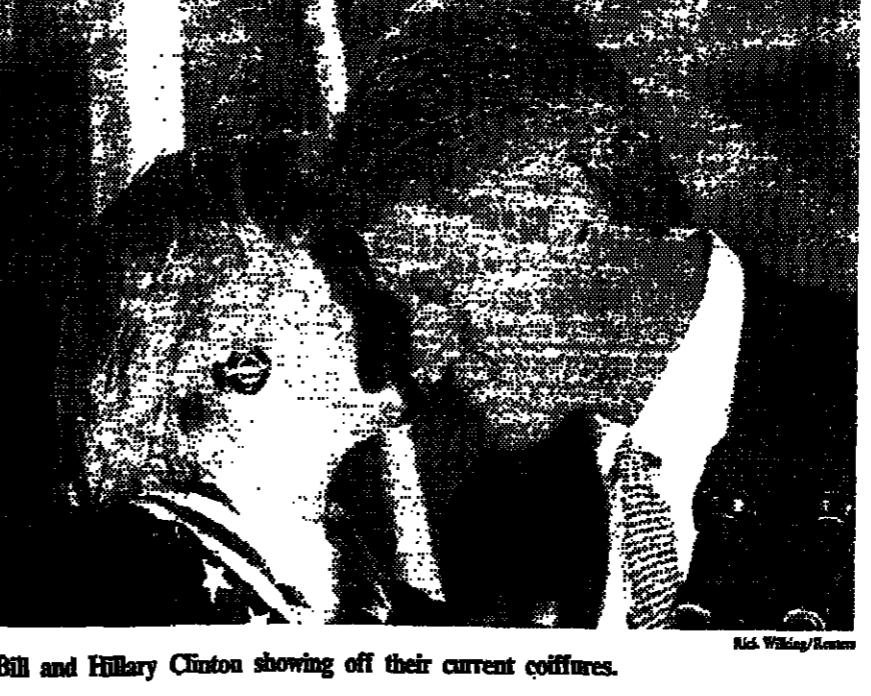
## Clinton's Ordinary, \$200, Airport-on-Hold Haircut

**By Ann Devroy**  
*Washington Post Service*  
**WASHINGTON** — President Bill Clinton, whose campaign seized hungrily on every sign of George Bush's distance from the lives of real people, is finding the tables turned. The White House is staunchly defending high-rolling presidential hair care.

"The president has to get his hair cut, everybody has to get his hair cut," said the exasperated White House communications director, George Stephanopoulos. He was explaining why Mr. Clinton kept Air Force One on the ground in Los Angeles for an hour Tuesday night while his hair was cut and commercial planes may have been delayed.

And then he was explaining why Mr. Clinton kept the plane on the ground in New Mexico for 40 minutes the day before while the presidential sideburns were trimmed.

The White House denied that the president was putting hair care, rather than people, first. Mr. Clinton, elected on a theme of "Putting People First," was helped along in his campaign by portraying Mr. Bush as out of touch with ordinary Americans. On Thursday, Mr. Stephanopoulos suggested that Mr. Clinton, in his use of Air Force One, was no different than Mr. Bush. The former president, he said, even



Bill and Hillary Clinton showing off their current coiffures.

stayed aboard Air Force One overnight on several occasions.

Mr. Bush, in fact, was a stickler for promptness. There is no evidence that he kept Air Force One on the ground while he conducted personal business. He did stay aboard the plane one night in its hangar at Andrews Air Force Base when he made a one-day trip to and from South America. Mr. Bush decided to sleep on the plane instead of getting up for the flight in the middle of the night.

Clinton officials insisted other air travelers were not inconvenienced by a Clinton summons to Christopher, a Beverly Hills hairstylist, aboard the plane for a trim that costs average customers \$200. The cost of the Clinton coiffure was unclear.

Airline officials in Los Angeles were quoted in wire service reports about delays of commuter flights because of a shutdown of two of the four runways at Los Angeles International Airport while the hairstylist worked.

The White House denied that it had ordered the runways shut down, but runways are routinely shut when a president's plane arrives or departs as part of its security. Sources confirmed two Los Angeles runways were closed

See CLIPPED, Page 6

ven faster

<b>Starting Over</b> Restructuring business and economies. On Monday in the FT:	<b>General News</b> Republicans cry crisis over new White House travel staff. Page 3.	<b>Dow Jones</b> Down 30.45 3,492.83	<b>Trib Index</b> Up 0.14% 100.79
Has Britain emerged leaner and stronger from the worst recession in its history? Or is it just slimmer and weaker?	<b>Business/Finance</b> British inflation shrunk dramatically. Page 11.	<b>The Dollar</b> New York 1.6255 1.6155	<b>Yen</b> 110.90 110.606
	Survivors of a Thai factory fire got about \$200 in com- pensation. Page 15.	<b>Pound</b> 1.545 1.5996	<b>FF</b> 5.475 5.444



# STATESIDE / RETHINKING MALPRACTICE

## ★ POLITICAL NOTES ★

### Bentsen's Power-Broker Image Takes a Blow

WASHINGTON — When President Bill Clinton named Lloyd Bentsen to head the Treasury, he expected the senior senator from Texas to pack about in the Senate.

Six months later, Mr. Bentsen's reputation is on the line. One Democratic vote might be all that stands between the cautious Senator David L. Boren, Democrat of Oklahoma, and a radical overhaul of Mr. Clinton's tax plan by the Senate Finance Committee. The panel has 11 Democrats and 9 Republicans, and Thursday Mr. Boren joined with Senator John C. Danforth, Republican of Missouri, to propose eliminating many of Mr. Clinton's tax proposals, including the energy tax, and substituting big spending cuts.

As the senior official in the administration, as the cabinet member most directly responsible for taxes and as the former chairman of the Senate Finance Committee, Mr. Bentsen, 72, is supposed to be just the man to prevent this sort of disaster.

In a recent White House meeting, strategists discussed whether to drop Mr. Clinton's proposed energy tax in the House if it was doomed in the Senate anyway. Mr. Bentsen urged them to stick with it, and said he was confident the Senate would back the broad energy tax, according to a White House official who attended the meeting.

Mr. Bentsen said he had met with Mr. Boren "more than once" in an effort to head off a defection. And all week Mr. Bentsen has been furiously lobbying to keep the remaining 10 Democrats on the 20-member Senate Finance Committee in line.

"We've got a tough fight on our hands," he said Thursday afternoon at a news conference at the Treasury.

In ways, Mr. Bentsen has been the odd man out. When cabinet members went on a retreat to Camp David, Maryland, and tried to get closer by revealing private details about themselves, he went to bed early.

"There's been a lot of hugging that's taken place," Mr. Bentsen said in early March. "I've tried to practice a bit. They don't pound on the back as much as we down on the Texas border."

His willingness to make deals with special interest groups and regional interests over the shape of the energy tax has rubbed some cabinet members the wrong way. At a meeting on the details of the energy tax, one cabinet member remarked to another that the conversation could have taken place during the Bush administration; the comment was not meant as a compliment. (NYT)

### Down-and-Dirty Fight Over Gay Nominee

WASHINGTON — President Clinton's nomination of the gay-rights activist Roberta Achtenberg as the government's top fair-housing official has touched off an acrimonious debate in the Senate, as opposing sides accused each other of extremism and noncombatants pleaded for an end to the hostilities.

Despite the delaying tactics, Senate leaders have reached agreement on a plan to vote on Ms. Achtenberg's nomination Monday.

If she is confirmed, as expected, she will be the first openly homosexual woman appointed to such a high federal office. The debate over her confirmation also marks the first time that a nominee's sexual orientation has been an issue in a confirmation proceeding on the Senate floor.

Conservative Republicans opened the attack, describing her as a "mean-spirited" militant who would seek to impose her values on policies under her jurisdiction as assistant secretary of housing and urban development in charge of fair housing and equal opportunity.

"Call it gay-bashing if you want to," said Senator Jesse Helms, Republican of North Carolina, who led the assault. "I don't call it that. I call it standing up for America's traditional family values."

Ms. Achtenberg's supporters struck back with equal force, making accusations of "character assassination" and "demagoguery."

Tensions rose to the breaking point when Senator Barbara Boxer, Democrat of California, read a statement from the mayor of San Francisco, Frank M. Jordan, accusing Mr. Helms of pursuing a "bigoted campaign" against Ms. Achtenberg and declaring that Mr. Helms's "appeal to the lowest level of discourse demeans both the Senate and the nation." (WP)

### Quote/Unquote

President Clinton on a Senate faction's effort to reshape his deficit-reduction plan: "When you strip all the rhetoric away, there's \$40 billion worth of burdens on people just above the poverty line, and \$40 billion less on those of us like me who can afford to do a little more for our country." (AP)

## Now, Patients Might Sue Insurance Firms, Not Doctors

By Robert Pear  
New York Times Service

WASHINGTON — President Bill Clinton's advisers have outlined a proposal for important changes in the handling of medical malpractice lawsuits under which individual doctors would be relieved of legal responsibility for negligence.

Instead of suing their doctors, injured patients would sue insurance companies and health maintenance organizations that employ the doctors.

Dr. Robert Berenson, a senior member of the staff of Mr. Clinton's Task Force on National Health Care Reform, said the proposal was based on the idea of "enterprise liability." Corporate enterprises — networks of doctors, hospitals and insurance companies — would be legally responsible for injuries caused by a doctor's negligence, he said.

Under this approach, Dr. Berenson said, "settlements would occur many years earlier in many cases." He added: "Patients would get the compensation

they need, would get their rehabilitation and their lost wages, instead of having the sort of lottery that now takes 5 or 10 years."

Administration officials would make health plans responsible for monitoring the quality of care delivered by doctors, on the theory that managers of a health plan would then crack down on doctors delivering substandard care. Health plans would set guidelines, and doctors following the guidelines would be presumed to practice good medicine.

Federal officials say the guidelines may also discourage doctors from performing unneeded tests and procedures. Moreover, they say, the proposal could encourage health plans to settle meritorious claims, through informal hearings and other alternatives to litigation.

Doctors have long sought changes in the handling of malpractice cases, and the White House apparently hopes to win their support. But doctors' groups complained Thursday that the plan would lead to intrusive

supervision of their care by insurance companies and other corporate enterprises.

The administration contends that its proposal can reduce litigation costs, but it does not envision huge savings. It does say the proposal can benefit consumers by giving health plans strong incentives to monitor and improve the quality of care.

Mr. Clinton will also ask Congress to establish certain legal standards and uniform procedures for the handling of malpractice cases, administration officials said. The handling of such claims is now governed mainly by state law, and as a result it varies widely from state to state.

Dr. Berenson, the head of a committee working on malpractice, and Kathleen Hastings, a member of the committee, gave details of the administration's thinking at separate news conferences Thursday.

Describing the proposal, the doctor said: "A health plan would be liable for the negligent acts of its contracted or employed practitioners and providers. The individual physician would not be personally

liable for negligence, but rather the health plan would be."

Mr. Clinton originally intended to send his health plan to Congress by May 3 but has fallen behind schedule, and the White House now says he will not unveil it before mid-June. Congress is sure to alter it, but lawmakers express confidence that they will pass legislation by the end of next year to remake the health-care system.

The president has not made final decisions about the details of his health plan. But Dr. Berenson's decision to speak publicly about the idea of enterprise liability suggests that it has already cleared many hurdles and is likely to be included, in some form, in the package.

The government says doctors spend \$5 billion to \$6 billion a year on malpractice insurance, with hospitals spending half again as much. But malpractice premiums account for less than 1 percent of national health spending.



Cynthia Stephens, a county judge in Michigan, after she overturned the state's ban on assisted suicide. The American Civil Liberties Union had sued on behalf of two terminally ill patients, arguing that the ban violated constitutional rights to privacy.

### Away From Politics

● A Michigan ban on assisted suicide that was rushed into law to stop Dr. Jack Kevorkian was struck down on procedural grounds by a Detroit judge, Cynthia Stephens, who warned that even if the law was fixed, the measure still would not stand up. The new ruling could thwart efforts to prosecute Dr. Kevorkian, who was arrested this week after being present at a 16th suicide.

● A two-year outbreak of measles ended last year, thanks apparently to widespread vaccination of preschoolers, the Centers for Disease Control and Prevention said. According to the Atlanta-based center, there were an estimated 2,200 cases in 1992, compared with 27,786 reported at the height of the outbreak in 1990.

● A Baton Rouge resident who killed a Japanese exchange student he mistook for an intruder had waved a .44-caliber Magnum as a warning, a Louisiana defense attorney argued, but the youth ignored it and ran right toward him. "Not a small gun," said the attorney, Lewis Unglesby, of the weapon Rodney Pears used to shoot Yoshihiro Hattori, 16, on Oct. 17. Mr. Pears, 30, faces a maximum of 40 years in prison if convicted of manslaughter.

● New York City's free-lance windshield washers are to be the subject of a new study. The city Police Foundation is paying a Harvard academic \$20,000 to investigate the practice of washing windshields while cars are stopped at stoplights, often against motorists' wishes. George Keating, a criminologist, promises to look at various methods of defusing the situation. "Not just arrests," he said. "There are other ways to approach this."

● A woman paid \$10,000 to bear a couple's baby has no rights to it, California's Supreme Court said in the first state ruling upholding a surrogate-motherhood contract. The ruling gives Mark and Crispina Calvert full rights to their 2½-year-old boy, Christopher. He was born from an embryo genetically kin to both Mr. Calvert and Mrs. Calvert, which was placed in the womb of Anna Johnson.

● A Tennessee bill to put prayer in school has been approved by the legislature despite warnings that the measure may violate the U.S. Constitution. Governor Ned McWherter, a Democrat, must act on the bill within 10 days or it becomes law. He has not said whether he will sign it, but has indicated that he will not veto it. AP

## Settlement of Civil-Rights Lawsuit Strips Largest Klan Group of Assets

By Lynne Duke  
Washington Post Service

WASHINGTON — In settling a federal civil rights suit, America's largest Ku Klux Klan group has agreed to give up its name, its mailing and subscription lists, and all its assets, ranging from a printing press to cash.

The settlement brings to an end a five-year legal battle to get the Invisible Empire Knights of the Ku Klux Klan and its "imperial wizard," James W. Farrands, to pay damages to a group of civil rights marchers.

The damages were ordered paid after Mr. Farrands's organization, the Southern White Knights, a far smaller Klan group, were found guilty of having violated the civil rights of black marchers who were set upon by a Klan-led mob in 1987 in northern Georgia.

Morris Dees, a Southern Poverty Law Center attorney for the marchers, said the settlement would shut down the Invisible Empire.

"We're in effect taking over everything," Mr. Dees said. "We're getting not only the Klan's cash but they're giving us the entire office equipment, their computer, their printing press."

According to the settlement, which was filed in Georgia District Court on Wednesday, Mr. Farrands — along with the former

Georgia grand dragon George Carver, the Invisible Empire, and its publishing arm, Empire Publishing Inc. — was ordered to pay a total of \$37,500 to the 50 plaintiffs in the case.

Mr. Farrands and the Empire also agreed to turn over all assets, and to cease using the name Invisible Empire, Knights of the Ku Klux Klan. Lists of Klan customs, members and subscribers to "The Klansman," a newsletter, all

are to be destroyed, according to the agreement.

But although Mr. Farrands, who is from Sanford, North Carolina, has agreed to these terms, that does not mean that the Invisible Empire — a group that operates in 20 states and whose mailing list exceeds 11,000 — will cease to exist, said Mr. Farrands's attorney, Terrance A. Shannon of Atlanta. The Invisible Empire was formed from the various groups that split away from

the Knights of the KKK in 1975 with the departure of David Duke, who has unsuccessfully sought the governorship in Louisiana as well as the presidency.

Mr. Farrands plans to comply with the court order, Mr. Shannon said, but is very dedicated to "making sure the KKK continues."

## Ouster of White House Travel Staff: Republicans Cry Cronyism

By Richard L. Berke  
New York Times Service

WASHINGTON — Bombarded by assertions from Republicans that the White House dismissed its travel staff to reward friends and relatives, the Clinton administration has disclosed that the action occurred after a close friend of President Bill Clinton sought White House business opportunities for colleagues in the travel business.

Administration officials also acknowledged that the travel agency that is temporarily taking over the White House accounts once had business, financial and political ties to Mr. Clinton and his associates.

Last year, the agency helped pay off old Clinton campaign debts. And the officials backtracked

from an assertion they leveled Wednesday against the seven members of the travel staff, whom they had accused of overcharging reporters for travel on White House charters. The staff arranges travel for news organizations covering the president and for White House staff members. None of the transactions under question involved public money.

The dismissals set off angry denunciations from Republicans, who accused Mr. Clinton of cronyism, and left White House officials stunned that an action they characterized as part of a routine government-wide performance review would dominate the national news.

Reacting sharply to the outcry, George Stephanopoulos, the White House communications director,

said he had no regrets about how the dismissals were handled.

"For years, people turned a blind eye to financial mismanagement," he said. "We followed up on questions, authorized a proper review by an independent auditor, which raised questions of serious mismanagement. And we took the appropriate action. For the first time in years, the White House travel office will act under a competitive bid process."

Mr. Stephanopoulos acknowledged that Harry Thomason, the Hollywood producer who is a close friend of Mr. Clinton and who owns an airplane charter company, helped spur the White House inquiry several weeks ago by complaining to David Watkins, the White House management chief who handled the dismissals.

Mr. Thomason told Mr. Watkins that the charter industry was unhappy that the lack of a bidding process was shutting them out, Mr. Stephanopoulos said.

He also said that it was Mr. Watkins's decision to dismiss the travel office, although this was made with the approval and authority of his supervisor, Thomas F. (Mac) McLarty, the chief of staff, and of the president, Mr. Stephanopoulos said. Mr. Clinton "didn't know the details" of the problems the White House said existed in the travel office.

Mr. Watkins had ties to the owner of World Wide Travel, an agency based in Little Rock, Arkansas, that will handle White House travel arrangements until a more permanent staff is put in place. He was a

longtime client of World Wide and in the mid-1970s worked in the same Arkansas bank as the agency's owner, Berta Carney, White House officials said.

In addition, Ms. Carney and her family, and World Wide Travel were major political supporters of Mr. Clinton. Last year, when the former Arkansas governor needed to raise \$100,000 to pay off state campaign debts for which he was personally liable, World Wide Travel itself and three Carney family members each contributed \$1,000, the maximum permitted, to help retire the debt.

The accusations against Mr. Clinton have only increased in intensity because Catherine Cornelius, 25, a distant cousin of Mr. Clinton's, will handle the daily operations of the travel office. Ms. Cornelius worked closely with World Wide when she handled travel for Mr. Clinton's campaign last year.

World Wide was selected, he said, because it had a track record from last year's campaign and was the largest travel agency in Little Rock.

White House officials said they had asked the accounting firm of Peat Marwick to review the travel office after Mr. Thomason told them that charter companies, in the words of a White House official,

were concerned that there appeared to be "a very cozy relationship" between the office and UltraAir, the charter company that transports the press on presidential trips.

They also said the travel office had appeared to follow lax staffing and accounting procedures, with employees not working full weeks and many records nonexistent.

Asked why Ms. Myers disclosed that the Federal Bureau of Investigation was looking into the activities of the travel office — a statement that some said could harm the reputations of the accused — Mr. Stephanopoulos said she did not raise the matter but was responding to question at the news briefing.

Among other accusations, White House officials had said the travel office had failed to account for thousands of dollars in billings to the press. The review found seven questionable petty cash disbursements over the last 16 months that amounted to \$20,000 and were not entered into office ledgers. An eighth check was recorded in the ledger, according to the review, but not for the full amount.

## AMERICAN TOPICS

### Pizza Chain Is Asked To Slow Its Deliveries

Four consumer groups, citing safety concerns, have asked Domino's Pizza Inc. to stop guaranteeing delivery in 30 minutes. For deliveries that take longer, customers get a rebate; the amount depends on how much longer.

Public Citizen, Consumer Federation of America, the Center for Auto Safety and the National Consumer's League said the guarantee "threatens Domino's drivers, pedestrians and other motorists." A Domino's spokesman declined to comment. Domino's

contends that it trains its drivers to put safety first.

A spokesman for the consumer groups said he had no statistics on accidents related to the guarantee.

Earlier this month, Domino's paid \$2.3 million to the family of Susan Washcup, 41, of Calumet City, Indiana, who was killed in 1990 by a pizza truck allegedly speeding to meet a 30-minute deadline.

### Short Takes

World population is growing at the fastest pace ever, and virtually all growth is in the Third World, according to the annual survey by the Washington-based Population Reference Bureau. It said world population would reach 5.5 billion by mid-1993, then 8.5 billion by the year 2025, "only if lion by the year 2025, "only if birth rates continue to come down as expected." He added, "If

they don't, growth will be even faster."

Time does not heal all oil spills. Crude oil and fuel oil are broken down by marine bacteria into harmless substances. But a marine laboratory in Sequim, Washington, found that as diesel oil weathers, it becomes toxic to bull kelp, the dominant seaweed along the coasts of Washington state, British Columbia and Alaska. The report said weathering apparently converted diesel oil into such toxins as carbonic acid.

"Dave," a new hit film in which the president of the United States falls ill and is replaced by his stand-in, is "based on a false premise, that the Secret Service sometimes uses presidential look-alikes as decoys," reports Maureen Dowd, a member of The New York Times bureau in Washington. She says, however, that both George Bush and Bill

Clinton had had Secret Service agents closely resembling them in face and build, "presumably to confuse would-be assassins."

A man threw a baby off a bridge into the Allegheny River, witnesses in Oakmont, Pennsylvania, told the police. But when they investigated, they discovered he had only tossed away his bowling ball. "He had a bad game," said an officer in the Hamar Township Police Department. "This is the ultimate gutter ball."

"When I was at a yogurt shop with my friend, I met someone I had not seen in four years," writes a reader of Judith Martin's syndicated Miss Manners column. "I didn't introduce the two of them because they would probably not see each other again" and the conversation was brief. Even so, "My friend was upset and said that although introductions are not needed for a passing 'Hello,' they

are required when 10 words are spoken." Miss Manners replied, "While not counting words, Miss Manners uses the Standing Around Feeding Stupid test. If your friend was left standing there long enough to feed stupid, and evidently he or she was, introductions were in order."

Scene in a mid-Manhattan coffee shop, as reported by Ross Gaffney, a New York Times reader, to the Metropolitan Diary column, as a counterman drew coffee and added milk:

Customer: Wait! Wait! Could you make that a little lighter? Counterman pours milk generously. Customer: Hold it! Hold it! That's far too light! Counterman, with a shrug: Next time bring a swatch.

Arthur Higbee

## Florida Law Bans Cuba Investment

Agency France-Press

MIAMI — Florida state government is banned from investing in any companies that do business with Cuba, and it must divest itself of any holdings there, under a new law signed by the governor.

"We're not going to trade with Fidel Castro or do things that will help him stay in power," said Governor Lawton Chiles in a ceremony before the influential Cuban American National Foundation.

The law, signed Thursday, requires the state to divest itself of holdings interests in Cuba. Florida has similar laws barring investment in South Africa and Northern Ireland. The law goes beyond the longtime U.S. embargo, although it will have no immediate effect because Florida's \$34 billion pension fund has no investments covered by the bill, an official said.

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# New Skill in Japan: Learning to Cope When 'Lifetime' Contract Is Broken

By Andrew Pollack  
New York Times Service

CHICHIBU, Japan — Since the factory where she worked for 30 years closed and left her without a permanent job, Kimiko Kanda has not left her home much and is too embarrassed to talk to friends who still work at her old company.

"Somehow, although I have done nothing wrong, I feel like a criminal," Mrs. Kanda said. "I have never heard of people being fired in my neighborhood or among my friends."

Mrs. Kanda is one person whose life has been uprooted by Japan's deep slump, which is fraying the system of lifetime employment and first-time

Plant closings and dismissals are rare in Japan, and the unemployment rate is a slender 2.3 percent. But when closings and job losses do occur, they can cause deep psychological distress because people so closely identify with their companies and because unemployment is considered such an embarrassment.

Four individuals, three of whom have since found at least part-time work, agreed to interviews while they were unemployed. They talked about how their layoffs were carried out and how they were managing finances, hopes and fears.

Work on the production line at the Ohkura Electric Co. defined Kimiko Kanda's life. She started there at 16 and stayed for 30 years. When her two children were infants, she sent them to Ohkura Electric's day care.

Ohkura makes specialized telecommunications equipment for the Nippon Telegraph and

Telephone Corp., one of Japan's corporate giants. But as NTT has suffered from new competition and the recession, Ohkura's sales have plunged 25 percent in the last three years, and it has suffered heavy losses.

One year ago, according to former employees, Ohkura offered to increase severance pay voluntarily. But when that offer did not attract enough people, the company decided to shut the 45-year-old factory where more than 300 people made specialized communications terminals in this small city 35 miles (56 kilometers) west of Tokyo.

On the morning of July 27, company managers, without saying a word, laid a plain envelope at each employee's work space. When they opened them, about 180 people learned they had been transferred. The remaining 130 workers were told they could voluntarily resign and take the extra severance pay or they would be dismissed.

"Some people immediately began to cry on their desks," Kazumi Iwazaki, another former employee, said. "Some people rushed into the bathroom with handkerchiefs in their hands. Some people banged their desks in anger, saying, 'I devoted 30 years of my life to this place.'"

Mrs. Kanda, who was on vacation when the word came, got her notice by express mail.

"When I opened it, I got angry and really cried," she recalled recently, tears returning to her eyes. "While I worked very hard at the company, this was the way they treated me."

Since then, she said, she has destroyed or

thrown out her company uniform, her badge and all other remnants of her life at Ohkura.

Mrs. Kanda, who had been earning about 5 million yen a year, or roughly \$40,000, received a one-time severance of 12 million yen, or \$100,000. Unemployment insurance payments, which amount to 60 percent of her monthly salary, ran out in mid-April.

The family is not in immediate trouble, but the future looks troubled. Mrs. Kanda has found a part-time job working for the prefectural government, but the position will last only five months. Her husband, Isao, is a teacher at a driving school, but he will reach the mandatory retirement age of 57 in a few months. And with two children nearing college age, big education expenses are looming.

It is impolite to dismiss someone in Japan, but companies can go to great lengths to force people out. Take the case of a programmer for the NIK Corp., a Tokyo software company.

When most of the company's programmers were sent out in the field to work with customers, he was assigned to headquarters, where for two years he sat in a vast office, all by himself except for the division chief.

"My salary was paid, but I had nothing to do," said the programmer, who spoke on the condition his name not be used because publication would make it harder for him to find a new job. The programmer, in short, had joined the ranks of the *shamai shitsuyō*, or in-house unemployed.

Last September, NIK told him that he would be retrained. Ostensibly to teach them good working habits, the workers were sent into the woods with axes and chainsaws and told to cut

down trees. On rainy days, they were made to clean the toilets and kitchen of an old dormitory.

One by one, the workers in the training program disappeared; it turned out they had quit. But the programmer endured, despite suggestions from the trainers to "make yourself comfortable as quickly as possible" by going somewhere else.

"At my age, it would be difficult to find a new job," said the programmer, who is 44 and has worked at NIK since 1976. "In this industry people say 35 is the retirement age."

Finally, after a month, he was sent to a suburban Tokyo office, but was almost immediately told by the manager there that he would be sent for more training, this time on an electronic assembly line. Again, the manager suggested he "restart" his life, and, again, the worker declined.

But last November, after about a week on the line, he quit. He said he was told to write a letter stating he was resigning for personal reasons so that his departure would be classified as a voluntary retirement. An NIK official said the company had no comment on what the programmer said.

The programmer, whose annual salary was about 6.7 million yen, or more than \$55,000, received a retirement payment of 800,000 yen, or less than \$7,000. He now has a new job.

His silk tie, gold watch and well-cut suit mark Seiichiro Sakaguchi for the fashion salesman he is — or was. At 45, Mr. Sakaguchi was the section chief at a women's blouse maker until last November, when the company called a meeting and announced that it would cut its

work force by more than 40 percent, to 200, because of a sales slump.

Mr. Sakaguchi protested at first, but then, he said, he realized that if he argued too much, it would ruin his reputation in the industry, making it harder for him to find another job.

Mr. Sakaguchi registered at three job banks. "I'm looking for any sales job," he said during his job search. "I'm not even stressing I should get a management job." Still, he had almost no job interviews in the four months he was unemployed.

He said unemployment did not cause any great financial difficulty because his wife is from a wealthy family. Rather, the shock was psychological. "I have to keep my face toward my children," he said. "I get mad when they ask me, 'You haven't found a job yet?'"

A recent telephone call to his house was answered briefly by someone who said Mr. Sakaguchi now had a job, but the person would not give any details.

When Ohkura Electric informed Mrs. Kanda and here co-workers that it was shutting its factory, Kazumi Iwazaki refused to go along and has sued to get his job back.

"We should not allow the companies to dismiss workers so easily," said Mr. Iwazaki, a quality tester who worked at Ohkura for more than 20 years and met his wife there. "If we allowed that to happen, that type of attack will occur all over Japan."

While most of the others "agreed" to resign and get the higher severance pay, Mr. Iwazaki refused, thereby forfeiting the pay. And while most workers immediately began claiming their remaining vacation days, Mr. Iwazaki contin-

ued to report to work each day until the plant finally closed a month later.

Once Mr. Iwazaki's unemployment benefits expire there will be little to support his wife, three children and his 82-year-old father. His wife, Michiko, who retired last year when she felt her health was no longer up to factory work, has found a part-time job. And his daughters, age 21 and 19, have also taken jobs to support the family.

In order to devote full time to his lawsuit, Mr. Iwazaki, 44, is not looking for another job. To insure he keeps his house, he paid off his entire loan, draining his savings in the process.

Toru Fukuda, the Tokyo labor lawyer representing the workers, said that based on court precedents, a company has to meet four tests to justify a mass dismissal of workers: the layoffs must be absolutely necessary; the company must have made every effort to avoid job losses; it must have consulted with the union, and the selection of those to be dismissed must not have been done in a discriminatory manner.

Mr. Fukuda intends to challenge Ohkura on all four aspects, contending, for instance, that Ohkura's profits in the good years were ample enough to make layoffs unnecessary in lean times.

Ohkura said it would have no comment because of the lawsuit.

The lawsuit is expected to take years to decide.

"When my wife gets really worried she says to me, 'How can we make it in the future?'" Mr. Iwazaki said. "Sometimes I can't offer her a clear vision."

## Rebels Vow To Reject Cambodia Vote Result

Compiled by Our Staff From Dispatches

PHNOM MALAI, Cambodia — The Khmer Rouge on Friday rejected United Nations claims that everything was set for elections in Cambodia, and said they would refuse to accept the outcome.

"We could not accept to be killed, swallowed and destroyed by the Vietnamese occupation," the spokesman, Mak Ben, said at a news conference at this Khmer Rouge stronghold near the Thai border.

He accused UN personnel of issuing Cambodian identity cards to Vietnamese living here, which would give them the right to vote during the polls that start on Sunday and run until May 28.

He also accused the United States of supplying arms to the Vietnamese and to the Phnom Penh government that Hanoi set up when it invaded Cambodia in late 1978, ending Khmer Rouge rule the next year.

The United States flew in flak jackets, helmets and other emergency supplies last week to help protect UN peacekeepers in Cambodia who have come increasingly under attack in recent weeks.

The guerrilla group maintains that about 40,000 of the 3 million to 4 million Vietnamese in Cambodia are soldiers who were part of the invading force. The international community generally accepts that the troops withdrew in 1989.

The Phnom Penh government is expected to have a good chance of winning next week's elections.

"Such an election does not bring peace to Cambodia," Mr. Mak Ben said. "It is organized in order to put fuel on the flames of war."

The elections are a final step in a peace agreement that the Khmer Rouge signed with Phnom Penh in October 1991. The Khmer Rouge has since refused to abide by the terms of the accord and have vowed to try to stop the polls by whatever means, including violence.

Mr. Mak Ben accused the UN Transitional Authority in Cambodia of working to legitimize Vietnamese occupation.

He said that UN personnel "have admitted that there is no security, no neutral political environment and the elections cannot be characterized as 'free and fair,' yet they decide to hold the elections at all costs."

The Khmer Rouge, he said, "totally reject the result of the UN-TAC-organized election."

The Khmer Rouge, known also as the DKP, for Democratic Kampuchea Party, said the UN had made misleading statements about preparations for the elections. It added that no polling stations had been set up in 90 percent of the provinces of Seim Reap, Kompong Thom, Preah Vihear and Banteay Meanchey.

Mr. Mak Ben quoted "reliable sources in Phnom Penh" for the accusation against the United States, but said he had no strong evidence to back it up.

"The U.S. and its allies have had a policy to eliminate the DKP since the signing of the Paris agreement and this plan has been systematically put into effect while the Paris agreement was implemented," he said.

Washington has made no secret of the fact it was reluctant to see the Khmer Rouge included in the cease-fire process. In its three-year experiment with total communism, the Khmer Rouge is estimated to have killed a million or more people by execution, starvation, disease and overwork.

"We would like to tell the U.S. that with this scheme to have Vietnam and its puppets fight the resistance and DKP forces they are making a strategically wrong move," Mr. Mak Ben said. "The Cambodian people have every right to defend themselves."

(Reuters, AP)



José Xanana Gusmão, the East Timor separatist leader, in court in the capital, Dili. Portugal criticized his sentencing.

## Rebel in East Timor Gets Life

### Portugal and Rights Groups Protest Sentence

Compiled by Our Staff From Dispatches

DILI, East Timor — An East Timor separatist leader who helped organize pro-independence protests was sentenced to life in prison Friday after he was found guilty of rebel activities and undermining the government.

The sentencing drew a sharp reaction in Portugal, the former colonial power in East Timor. The court was also criticized by human-rights groups.

José Xanana Gusmão, head of Fretilin, the Revolutionary Movement for an Independent East Timor, which is battling Indonesia's 17-year rule in the eastern half of the island of Timor, was found guilty of leading a separatist movement and illegal possession of weapons.

"His actions created unrest among the people and disturbed stability in East Timor," Judge Hieronymus Godang said in explanation of the heavy sentence.

Portugal said it would call on the international community to protest. Prime Minister Aníbal Cavaco Silva called the sentence brutal and said his country would "alert the

European Community, the United States and our allies to exert as much pressure as possible on the Indonesian regime."

On Monday, the judge spent seven hours reading the 210-page prosecution document, but cut Mr. Xanana off after he was only minutes into his defense statement. The judge said parts of the statement were "irrelevant."

The trial started in February amid charges that the authorities were trying to keep diplomats and foreign reporters away.

The United Nations office in Jakarta on Friday denied reports that quoted East Timorese officials as saying that a special UN envoy visiting Dili had prompted Mr. Xanana to be more confrontational during the trial.

The United Nations does not recognize Jakarta's rule of East Timor. Indonesia invaded in 1975, after the Portuguese colonial rulers left, and annexed East Timor the following year.

Diplomats estimate that up to 200,000 East Timorese, or close to a third of the population, have died from execution, disease and starva-

tion since Indonesian troops landed.

Jakarta's efforts to improve its international standing over East Timor were shattered in late 1991 when troops fanned into a crowd of mourners in a Dili cemetery, renewing international condemnation of Indonesia's rights record. Witnesses said that up to 180 people died.

Mr. Xanana was accused of backing the demonstration, which Jakarta said incited the soldiers to shoot.

At the end of the sentencing Mr. Xanana shouted "Viva Timor 'Eita" or Long Live East Timor, the rallying cry of the independence movement, and then shook hands with the judges.

Portugal insists that the East Timorese determine their own future. Indonesia says they have already done so and refuses to negotiate sovereignty.

Asked whether Mr. Xanana had any chance of a lighter sentence, one of his sisters said: "It depends on pressure from the outside world."

(Reuters, AP, AFP)

## Taiwan's UN Hopes Resurface

### Pro-Independence Parties Prod Government

By Kevin Murphy

International Herald Tribune

TAIPEI — While its friends would rather not see the potentially embarrassing issue raised at all, an increasingly proud Taiwan wants to regain its United Nations membership, which it lost to China in 1971, as soon as possible.

"We are the world's 14th largest trading entity, we have the world's 20th largest gross national product and we now have a full functioning democratic political system," said Shen Kao-Hsiung, director of the department of international organizations in the Foreign Ministry. "Our people feel a great frustration at being excluded from the world community. The time has come to act."

Prodded by an increasingly vocal and powerful opposition, the Taiwan government has pledged a campaign to rejoin the United Nations that political analysts and foreign diplomats agree carries domestic and international risks.

The government must balance political pressure at home against forcing the international community to support the UN bid and jeopardize relations with Beijing. China has long opposed any international recognition for Taiwan and regards it as a "renegade province."

"The government has to take this seriously," said Hsin-Hien Annette Lu of the Democratic Progressive Party, referring to UN membership. "It's the biggest consensus we've had on an issue."

Her party took 52 seats in the 161 member Legislative Yuan in elections last year. Officials of the governing party, the Kuomintang, "know they will lose more votes to us if they can't make it happen," she said.

Foreign diplomats based in Taipei express private sympathy with Taiwan's aspirations — and its predicament. "We really hope it never comes to much because it is anything but a simple issue," said a Western diplomat. "It's been a struggle to raise official diplomatic relations to the level they are at now. Anything more is probably not doable as long as China still objects."

The issue of whether Taipei should declare its independence from China has gained momentum in recent years among many Taiwanese, but such a move is still

considered a sacrilege by the Kuomintang, which fled the 1949 Communist victory on the mainland and until recently claimed to be China's only legitimate government.

Talks held recently in Singapore between Beijing and Taipei officials that were widely seen as a prelude to eventual reunification of the two Chinas have served to heighten discussion of Taiwan's national identity.

"Either we are going to reapply with a whole new name, which is what the pro-independence people want, or we use the same name, reapply and are blocked by Beijing," said Zhao Chien-min, professor of graduate studies at the Sun Yat-sen Institute of National Development.

"What the Foreign Ministry is worried about is not using the Republic of China name on the application," he said. "If the opposition forces them to use a new name, that would be a signal of de-facto independence."

Beijing, one of five permanent members on the Security Council, can veto Taiwan's bid even before a membership application gets to the General Assembly, where it would need two-thirds support to be enacted.

Taiwan remains undeterred, citing a change in its own stance toward China (Taipei now acknowledges the existence of two equal regimes within China's borders), a "strong" moral case, and a quiet campaign to win support among 33 Third World countries who receive grants and technical assistance from Taipei.

"We agree that it is difficult, but it's not impossible," Mr. Shen said. "Our president, Lee Teng-hui, has said we will make our application within three years. In the meantime we will attempt to join peripheral UN organizations and begin to make our case known to the world."

Discovery of a loophole in entry rules to the multinational General Agreement on Tariffs and Trade has recently allowed Taiwan to apply for membership. Mr. Shen hinted that Taiwan may have also found a way to steer its bid around China's veto in the Security Council.

But the government's measured approach may not be good enough for its strident opposition.

"The president made a great mistake when he didn't act after the Tiananmen Square massacre," said Miss Lu, referring to Beijing's crackdown on democracy protests in 1989.

## Pacific Nations Widen Security Talks

By Michael Richardson

International Herald Tribune

SINGAPORE — The non-Communist governments of Asia and the Pacific, hoping to improve relations with former Communist regional rivals, agreed Friday to invite China, Russia and Vietnam to July security talks here.

The foreign-minister level discussions could lead to new arrangements for reducing tension and building confidence, observers and analysts said.

In Asia-Pacific, unlike in Europe, there is no multilateral forum for dealing with security problems, observers said.

They pointed out that East Asia's economy is growing rapidly, Asia's security in the region have

unresolved territorial disputes with their neighbors, and that regional military modernization may lead to an arms race.

The meeting was the first of senior officials from 12 Asia-Pacific countries and the European Community. A statement issued at the end of it reported "a convergence of views on the need to find means for consultations on regional political and security issues."

The Asia-Pacific countries included the United States, Canada, Japan, Australia, New Zealand, South Korea and members of the Association of Southeast Asian Nations — Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Delegates said that the foreign ministers of China, Russia and Vietnam would be invited to join their counterparts at a special meeting on security issues in late July.

The meeting will be held after the annual conference of ASEAN foreign ministers but before talks that are scheduled a day later between ASEAN and the nations taking part in the talks that ended Friday.

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# China Keeps Trying To Buff Its Image Plans to Free Dissident Tied To Effort to Avoid Sanctions

By Lena H. Sun  
Washington Post Service

BEIJING — As part of its continuing effort to improve its image, China is preparing to release one of its longest-held political prisoners, an American human-rights campaigner said Friday.

The move is aimed at heading off trade sanctions by Washington and burnishing its bid to play host to the 2000 Olympics.

The prisoner, Xu Wenli, 49, held in solitary confinement for 12 years for his role in China's Democracy Wall Movement of 1978-79, will be paroled by the end of the month, said John Kamm, a Hong Kong-based American businessman who met this week with Chinese officials in Beijing.

The Chinese Foreign Ministry also informed the U.S. Embassy in Beijing that Mr. Xu was to be released soon, three years before his 15-year-sentence is completed, according to a source.

Mr. Xu, designated "Special Prisoner No. 1," is considered one of the most moderate of the democracy leaders of that period. A former electrician, he published an underground journal advocating political reform within the Communist system.

During his imprisonment, he has lost most of his teeth, his family members have said. He was kept in a "windproof, damp vault" full of insects for three and a half years after his account of his arrest and

trial was smuggled out of China and published in 1985.

A Ministry of Justice official said Mr. Xu was being paroled because he was "abiding by prison rules and regulations," according to Mr. Kamm. The official told Mr. Kamm that the Beijing Intermediate People's Court still needed to give final approval.

A ministry spokesman later confirmed that Mr. Xu would be released when the formalities are completed, Reuters reported.

The timing of the news seems intended for maximum political impact. The fourth anniversary of the Tiananmen Square crackdown is June 4. President Bill Clinton must decide by June 3 on whether to renew China's most-favored-nation status. Most analysts say they think that Mr. Clinton will renew the status, which allows Chinese goods into the United States under the lowest possible tariffs, for this year.

But for next year, Mr. Clinton is expected to require China to improve its human-rights record, reduce its trade surplus with the United States and help stop the spread of arms by June 1994.

Clinton administration officials are said to be trying to set down conditions that would be tough enough to satisfy Congress, which has introduced legislation linking an extension with progress in human rights, trade, and arms proliferation, but flexible enough to keep relations with China from sharply worsening. "There's no question they want to improve U.S.-China relations," Mr. Kamm said. "But the Olympics came up time and time again. They asked me whether human rights will be a factor in the decision."

Beijing and five other cities are competing for the rights to be the host for the 2000 Olympic Games. The International Olympic Committee is to make its choice on Sept. 23, China, which has never played host for an Olympics, has mounted a vigorous effort for the Games.

Earlier this week, the Games' top organizer said the choice would be influenced by the host country's human-rights record.

Although China has released some prominent political and religious prisoners in recent months as part of what one human-rights campaigner calls the "smile offensive," many more remain behind bars and others continue to be arrested.



Some of the 15 contestants in the Miss Sarajevo pageant watching Friday as another took the stage at a rehearsal. Bosnian Muslims, Croats and Serbs are participating; the winner gets a trip to Madrid.

## BOSNIA: Clinton Raises Doubts on Russian Efforts

(Continued from page 1)

Kingdom over the next several days," he said.

A senior administration official also said that Mr. Christopher had dropped his opposition to the plan to create safe havens for Bosnian Muslims, as long as they were temporary.

During his tour of Europe two weeks ago, Mr. Christopher said he objected to the idea of safe havens on moral and military grounds:

that they would put the Muslims into ethnic ghettos and thus reward the Bosnian Serbs' ethnic-cleansing campaign, and that they would be nearly impossible to protect with the threat of air strikes if the Bosnian Serbs decided to attack them.

Now, a senior American official said, Mr. Christopher could accept the safe-haven concept as part of a larger effort to stabilize the situation, as long as it was a "temporary measure and not the endorsement of any concept of partition."

The United States would be unwilling to take part in any United Nations peacekeeping effort to protect the safe havens, but is considering the use of air power to protect UN forces guarding the safe areas, the official said.

During their talks Thursday, Mr. Kozirev presented Mr. Christopher with a Russian proposal to carry out the Vance-Owen plan in stages.

Under his proposal, the three warring Bosnian factions — the Serbs, the Croats and the Muslim-led Bosnian government — would be persuaded somehow to accept pieces of a complicated map that would divide Bosnia into 10 provinces, largely along ethnic lines.

Mr. Kozirev also detailed his plan during a meeting with Senate leaders. But several senators said they were not impressed, calling his approach vague and ill conceived.

Some senators also said a lack of U.S. leadership was allowing Russia and the allies to fill the vacuum with ideas of their own and forcing Washington into a reactive posture.

"Kozirev's idea strikes me as a reckless adventure that will ratify ethnic cleansing and put ground forces right into the middle of the war," said Senator Richard G. Lugar, Republican of Indiana.

## HIV Infections at 14 Million

Agence France-Press

GENEVA — About 14 million people worldwide are infected with the human immunodeficiency virus, or HIV, which causes AIDS.

Some senators also said a lack of U.S. leadership was allowing Russia and the allies to fill the vacuum with ideas of their own and forcing Washington into a reactive posture.

"Kozirev's idea strikes me as a reckless adventure that will ratify ethnic cleansing and put ground forces right into the middle of the war," said Senator Richard G. Lugar, Republican of Indiana.

## World Bank Takes Turn: Help Africa Help Itself

By Tami Hultman  
Washington Post Service

WASHINGTON — The World Bank's top policymaker for Africa has announced sweeping changes in the institution's approach to the continent's economic problems.

In a speech to the annual conference of the African-American Institute, Edward V. K. Jaycox, vice president for the Africa Region, said the bank would no longer dictate development plans to African countries and would stop "imposing" foreign expertise on reluctant African governments.

Calling the current pattern of technical assistance to Africa "a systematic, destructive force," Mr. Jaycox said future programs would be aimed at building Africa's capacity to help itself.

Most of the world's poorest countries are in Africa, and poverty has deepened there in recent years. But the continent also has huge untapped wealth and already is a larger trading market for the United States than the countries of the former Soviet Union and Eastern Europe combined.

The speech was an off-the-record address to a closed session of the institute's conference, but Mr. Jaycox agreed afterward to make public his remarks for publication.

The policy shift, if carried out, would have repercussions throughout Africa.

For the last decade, the bank has shaped the development agenda in Africa, formulating policies that have guided the practices of its sister institution, the International Monetary Fund, as well as the aid programs of the United States and other donor countries.

Acknowledging that the World Bank has been unable to devise effective solutions to Africa's persistent economic problems, Mr. Jaycox said that in the future the bank would help fund African governments to write their own development plans. The bank would also use the bulk of a \$20 million economic research fund to support studies commissioned by Africans, rather than to pay for studies by bank economists.

Critics of current development programs have estimated that more than 100,000 foreign experts working in Africa consume a major chunk of all foreign aid money to the continent.

In another action to support the goal of building Africa's capabilities, Mr. Jaycox announced that universities in the United States and other Western nations that have World Bank-funded contracts to train African economic managers must move their programs to Africa within three years and collaborate with African universities.

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## Bavarian to Soldier On As Finance Minister

Waigel Loses His Bid to Quit Bonn And Become the Premier of State

Compiled by Our Staff From Dispatches

BONN — After four years of shouldering the blame for Germany's steadily worsening public finances, Finance Minister Theo Waigel failed Friday in his bid to leave the job gracefully and return to his native Bavaria as premier.

Edmund Stoiber, the state interior minister, will take the place of Governor Max Streibl, who announced two weeks ago that he would step down after accepting a free plane ride from a favored defense contractor.

The battle over who would replace Mr. Streibl had deeply divided the conservative Christian Social Union, one of the two junior partners in the federal government. The union is the Bavarian sister-party of Chancellor Helmut Kohl's Christian Democrats.

Mr. Waigel, 54, apparently tiring of his duties in managing the worst recession in Germany since World War II, represented the more liberal wing of the party.

The party's conservative rank-and-file backed Mr. Stoiber, 51, because as interior minister he has strengthened the police and pushed to overturn Germany's liberal asylum law.

He was seen as having a better chance in elections next year, in which the far-right Republican Party threatens to make big gains.

Mr. Waigel said that he would remain finance minister and that his position as chairman of the party would be strengthened, with Mr. Stoiber renouncing his position as party deputy chairman.

Reports Friday said Mr. Waigel was not consulted before Mr. Kohl announced across-the-board budget cuts to deal with the shortfall of 25 billion Deutsche marks (\$15 billion) in anticipated tax revenue for next year.

Political analysts said Mr. Waigel paid the price for trying to combine the arduous job of finance minister with the chairmanship of the Bavarian party.

Mr. Waigel's popularity in

Bavaria had suffered as he was blamed for Bonn's spiraling debt and tax increases made necessary by German unification.

After the death of the Bavarian leader, Franz Josef Strauss, in November 1988, Mr. Waigel was elected party chief with 98.3 percent of the vote.

He entered the cabinet as finance minister in April 1989, winning favor with financial markets by immediately scrapping an unpopular 10 percent withholding tax on investment earnings which had led to a huge capital outflow and weakened the mark.

Mr. Waigel initially presided over a booming economy and a dwindling budget deficit, but unification in 1990 dramatically reversed the situation.

The government ran up mounting debt as it poured money into the moribund economy of former East Germany, and its credibility suffered when it broke a 1990 election pledge not to raise taxes.

To make matters worse, Germany has slid into recession, which is further eroding tax revenue while spending on unemployment benefits is soaring.

(Reuters, AP)

At least 118 people were detained in Eastern Germany as a brawl among Germans and foreigners, an attack on foreigners seeking asylum and a clash between political extremists, Reuters reported on Friday, quoting police reports.

Two people were injured and 92 detained in fighting between a German youth gang and foreigners on a pleasure boat cruise on a Berlin lake Thursday night.

In Fürsteneck near the Polish border, seven Germans attacked about 30 refugees who defended themselves with sticks and axes, the police said. Three people were injured and nine detained. In the town of Rathenow, policemen detained 12 rightists and five leftist militants after they clashed.

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## Not Going Soft, Executions Show

HONG KONG — Eighteen people were executed in Guangdong province in southern China for crimes including the murder of a policeman, robbery, gang rape and embezzlement, the Xinhua press agency said Friday.

Among the executed was a migrant from central China who stabbed and killed a policeman who had pursued him after he robbed a girl cyclist in Shunde, the report said.

A gang of five men who murdered five people in a series of robberies and gang rapes in the Guangzhou area were shot, as was a former bank teller who embezzled the equivalent of \$170,000 which he then lost gambling.

## HIV Infections at 14 Million

Agence France-Press

GENEVA — About 14 million people worldwide are infected with the human immunodeficiency virus, or HIV, which causes AIDS.

Some senators also said a lack of U.S. leadership was allowing Russia and the allies to fill the vacuum with ideas of their own and forcing Washington into a reactive posture.

"Kozirev's idea strikes me as a reckless adventure that will ratify ethnic cleansing and put ground forces right into the middle of the war," said Senator Richard G. Lugar, Republican of Indiana.

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## CLIPPED: Musing the Image

(Continued from page 1)

for 56 minutes. The day before, Mr. Clinton spent 40 minutes at the airport near Los Alamos, New Mexico, where he had given a speech, while a stylist named Karl Vigil trimmed his sideburns and neck, and applied makeup to tone down a touch of sunburn, according to an Associated Press interview with a thrilled Mr. Vigil. Reporters noted the New Mexico delay but were not told the reason.

Paul Begala, a campaign aide who helped hone Mr. Clinton's populist appeal, saw no political problems with the image of Mr. Clinton getting a \$200 haircut on Air Force One while others waited.

"It's stunning to me that on a day in which powerful forces are trying to cut Social Security, cut Medicare, cut tax burdens on the rich, that the great and powerful Washington Post wants to write about a damn haircut," he said. "That's pathetic. That's my response. Get a life."

In any case, Mr. Begala said, the American people will understand Mr. Clinton's tonsorial needs. "Bill Clinton has challenging hair to say the least," he said. "Even on a good day it sometimes looks like worn-out Brillo."

How much he spends to fix it Mr. Begala asserted, is "the last thing that anybody in America is worried about."

## DIRTY: Russia Opens Inflation Fight Government and Central Bank Initial a Pact

(Continued from page 1)

Moscow was just a glaring example. Wherever you point your finger on the map there is another horrible place," said Mr. Rubinchik, who almost delights in detailing for visitors all the places where radioactive waste has been found, where mercury content in dust is stunningly high or where storage facilities for ammonia and chlorine are so run-down that a lethal leak could easily occur.

The government, meanwhile, is too poor to beef up environmental surveillance, clean polluted sites or repair decaying water and air filtration plants that, left on their own, pose further hazards. In an area west of Moscow known for being fairly unpolluted, for instance, crumbling filtration plants are contaminating the very water they are intended to clean.

While the government has been able to track down and remove hundreds of small radioactive "points" — discarded medical equipment and laboratory equipment or small dump sites where someone years ago secretly buried nuclear wastes — there is simply not enough money available for larger efforts.

"Bad ecological problems plus poverty make the situation really bad," said Kharis Yakubov, a doctor and environmental analyst. Russia's economic crisis has at least slowed the growth of Moscow's air pollution by forcing some factories to reduce production.

Aerial photographs show smudges of brownish smog stretching out from the city for more than 100 kilometers (60 miles). The causes are primarily vehicles, huge power plants and thousands of factories. Built decades ago on the city's outskirts, these factories now sit among high-rises, schools and office buildings.

A frighteningly concrete example of pollution-related medical problems was provided in the recently published book "Ecoicide." It cites the case of a maternity clinic for Moscow's elite in which 80 percent of babies born during one period were either premature or had birth defects.

By Fred Hiatt  
Washington Post Service

MOSCOW — The Russian government and the independent central bank reached a preliminary agreement Friday on controlling inflation that could pave the way to greater Western aid, news agencies reported.

The agreement has yet to be signed and must still be forwarded to higher officials at the International Monetary Fund for review, Interfax said. But if the pact holds, it could prove another step in Russia's uneven march toward free-market reforms.

Disagreements between reformers in President Boris N. Yeltsin's government and more conservative leaders of the central bank have until now stymied Russia's efforts to forge a coherent economic policy. The rift, which has contributed to galloping inflation for almost a year, has left the West reluctant to lend money to support Russia's reform effort.

But on Friday the government and bank initiated a pact calling for measures to control inflation. Under the accord, the central bank is to stop granting credits directly to regions or enterprises, lending money instead through market mechanisms at auctions or through commercial banks. For its part, the government pledged to take steps to limit its budget deficit, another key IMF demand.

Western industrial democracies are eager for Russia to meet certain minimal criteria so that the IMF can release a first slice of \$3 billion in loans.

Michail Leontiev, an economic commentator, noted in an article in Friday's Sevodaya newspaper that the spending limits outlined in the new memorandum, expected to be signed Saturday, are almost certain to be violated. But he added that the IMF was still likely to release \$1.5 billion almost immediately.

The disputes between Mr. Yeltsin's economic team, led in this case by Finance Minister Boris G. Fyodorov, and the central bank, headed by Viktor Geraschenko, are partly political. The bank is controlled by parliament, which has been warring with Mr. Yeltsin.

But the dispute also reflects a basic, and nearly insoluble, dilemma as Russia tries to shift from a centrally planned economy to a free market. The Soviet system left Russia burdened with hundreds of huge and unprofitable enterprises.

Free-market reformers argue that such enterprises must be weaned of state subsidies and cheap credits. But many industrial leaders and their advocates argue that Russia cannot stand the shock of widespread unemployment that a cutoff of cheap credit would bring. The result has been a political stalemate, with the bank printing and lending, and the government spending huge sums of rubles. That, in turn, has led to a monthly inflation rate of 25 percent.

## Yeltsin Proceeds With Charter Talks

President Yeltsin pressed ahead Friday with his plans for a new constitution despite opposition from his rival, Russian I. Khasbulatov, chairman of the Congress of People's Deputies, Reuters reported.

Vyacheslav Kostikov, a spokesman for Mr. Yeltsin, said that the president had signed a decree calling a conference of the leaders of Russia's 88 republics and regions on June 5. Mr. Yeltsin first announced the constitutional conference on May 11 and sent a draft of the new document to the regions for discussion.

Mr. Khasbulatov says Mr. Yeltsin's move to push through his blueprint is illegal. But other members of the opposition, chiefly Mr. Khasbulatov's deputy, Nikolai Ryabov, have welcomed the idea.

## IMPEACH: Venezuela's President to Face Theft Trial

(Continued from page 1)

dates are already campaigning for the presidential elections, which are set for Dec. 5.

To smooth a seemingly inevitable transfer of power, all members of Mr. Perez's cabinet submitted their resignations Thursday.

Mr. Perez plans to stomp the nation in an effort to clear his name, "for history." Until a possible conviction, he will continue to enjoy the title of president and live in the official residence.

A frighteningly concrete example of pollution-related medical problems was provided in the recently published book "Ecoicide." It cites the case of a maternity clinic for Moscow's elite in which 80 percent of babies born during one period were either premature or had birth defects.

The Senate to authorize an impeachment trial in the Supreme Court, insisting that the court would find him innocent.

According to prosecutors, Mr. Perez and two former aides, Reinaldo Figueredo and Alejandro Izaguirre, personally profited from a multimillion-dollar currency manipulation a few days after Mr. Perez took office in February 1989.

The prosecutors charged that about \$10 million was made by changing a discretionary fund into dollars at a preferential rate. After a 88 percent devaluation of Venezuela's currency, the bolivar, the dollars were changed back into bolivars. The two aides also face trial.

"Venezuela is undertaking a struggle against corruption — not a personal persecution," said the author of the impeachment petition, Ramon Escovar Salom, the independent attorney general. "First, there was the report of the comptroller general, then the central bank, then the prosecutor, and now the Supreme Court — it can't be that so many people are wrong."

Seeking to instill more democracy in this nation, Latin America's wealthiest, Mr. Perez had appointed independent judges to the Supreme Court, spoken out against corruption and pushed for democratic elections of state governors.

(AP, AP, NYT)

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# Adopting Children From Abroad

Americans lead the world in adopting children from other countries. Unfortunately, this is a fertile field for con artists, and anyone undertaking an intercountry adoption should proceed with great caution.

In 1992, Americans adopted 6,536 children from foreign countries, including South Korea, the Philippines, India, China, Columbia, Peru, the former U.S.S.R. and Guatemala. But the efforts of many other Americans to adopt foreign children were rewarded only with financial losses, disappointment, and even heartbreak in cases where children who had already been living with them were taken away from them.

bureaucracy that now burdens the process of intercountry adoption and lend more legal certainty to the adoption for both the parents and the child." He points out that there have been cases where a child has been taken back from an adoptive parent because the adoption was not legal in one of the countries involved. "There is an urgent need for this treaty," he adds. "There are now 20,000 or more intercountry adoptions per



**FEDERATED LEAGUE OF AMERICANS AROUND THE GLOBE**

delicate matter. Certain Muslim countries, for instance, insist that an adopted child keep its family name. "There must be an exchange of information about culture, language and religion," he says, "an understanding of differing views."

He advises anyone considering an intercountry adoption to "do your homework." He cites the case of a reporter for a prominent newspaper who paid \$37,000 to a private agency that "promised" her a child and then went bankrupt a week later, leaving her still childless and certainly much poorer. "It is amazing how many sophisticated people, even lawyers, are victims of unscrupulous operators," he says. He recommends that people looking for a child be extremely cautious. "Read all the reliable information available, always obey the spirit and letter of the law and don't be rushed. Be very suspicious if someone says, 'This is your only chance.' Remember, if something seems too good to be true, it usually is."

Working through a public agency is safe but can take a long time. Adoption in the United States through public agencies takes an average of three to seven years, while it takes one or two years on average through private agencies. Intercountry adoptions can take from nine months to 2 years, and total fees range between \$5,000 to \$20,000, depending upon the country of origin. Mr. Pierce's organization is experienced in intercountry adoptions and can provide referrals to responsible agencies in most foreign countries. There are also excellent support groups in most industrialized countries.

The head of the U.S. delegation at the Hague Conference, Peter H. Pfund, an assistant legal adviser with the U.S. Department of State, set up a study group with over 50 representatives of interested agencies and organizations to develop the U.S. position for the Hague Conference.

Mr. Pfund says that the U.S. delegation wants the convention to remain flexible and capable of support by the various elements of the U.S. adoption community. He points out that the U.S. system of government is different from that of many other countries, with most family issues being dealt with by varying state laws, and it is important that the convention take this into account when the final text of the convention is written, especially since more intercountry adoptions are undertaken from the United

States than any other country in the world.

The United States also has an interest in seeing that the convention allows private agencies, subject to the controls outlined in the convention, to continue handling intercountry adoptions. Mr. Pfund points out that many countries allow only public authorities or government-licensed agencies to handle such adoptions.

"If private adoptions are not possible," he says, "we may have difficulty having it approved in the House and the Senate." He is optimistic that the final text will be amenable to U.S. interests.

One of the most difficult tasks of the delegates to the conference, according to Mr. Pfund, is finding a balance between an agreement that includes as many safeguards as possible and

one that may not be perfect but that would be workable and allow for the placing of as many children as possible in good homes, that is in the interests of both the children and the adoptive parents and that avoids "nightmare scenarios" like the ongoing case in the United States where the birth parents and adoptive parents of a little girl have been fighting in the courts over the right to the child.

The text of the convention will be reviewed by interested U.S. agencies, associations and individuals. The U.S. president will send it to the Senate for advice and consent, and it is expected that the administration will propose federal implementing legislation.

After favorable Senate and Congressional action by about 1995, the United

States would ratify the convention and bring it into force for the United States.

Jean and Heino Erichsen, founders and directors of Los Niños International Adoption Center, 1600 Lake Front Circle, Suite 130, The Woodlands, Texas 77380-3600, have written a guide for agency-directed and independent adoptions entitled "How to Adopt Internationally." The guide is based on their personal experiences and on adoptions that they have assisted.

Americans residing overseas who are considering an intercountry adoption should learn the adoption procedures of their resident country and the U.S. laws if they want the child to become a U.S. citizen. There have been instances where adopted children have found they do not qualify for citizenship in any country.

U.S. citizenship is not automatic for a foreign adopted child. The child must first become a lawful permanent resident of the United States, and the American adopting parent must have lived in the United States for five years, of which two must be after the age of 14.

FLAAG has supported a change in these restrictive citizenship transmission requirements. House Bill H.R. 783, which was discussed in our article in the International Herald Tribune on March 6-7, will simplify the transmission of citizenship for adoptive

parents as well. Citizens interested in voicing support of this legislation should write to U.S. Representative Romano (Ron) Mazzoli, Chairman of the House Judiciary Subcommittee on International Law, Immigration and Refugees, Washington, DC 20515.

When dealing with intercountry adoptions, Americans should work with a country that supports international adoptions and make sure the child is tested for AIDS, tuberculosis and hepatitis B.

The National Council For Adoption publishes numerous materials on adoption, including "National Adoption Reports." It is located at 1930 Seventeenth Street, N.W., Washington, DC 20009-6207.

The International Concerns Committee for Children publishes the Report on Foreign Adoptions and is another source for information. It is located at 911 Cypress Drive, Boulder, CO 80303.

FLAAG is developing information on actual case studies of intercountry adoptions which will be used to prepare testimony before the Congress on citizenship and the anticipated federal implementing legislation on the Hague convention on intercountry adoptions. Please send your comments to the address on the coupon on this page.

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The path to intercountry adoptions may be fraught with difficulties, but when all goes well, the end result is joyful for both parent and child.

It is against this background that almost 60 countries are working with the Hague Conference on Private International Law in preparing a convention on international cooperation in intercountry adoptions. The conference has been working on this issue since 1988.

Prospective adoptive parents should be suspicious of requests for "up-front" fees of more than \$500, or recommendations to travel without a firm assignment of a particular child.

Requests for quick decisions and fees to "reserve a child," or a lack of written information are signs of a need for caution.

Experts advise against accepting offers from people who suggest "shortcuts." Those considering an adoption should do their own research first and work only with reputable individuals or agencies.

Adair Dyer, an American attorney from Dallas, Texas who now lives in The Hague, is the deputy secretary-general of the Hague Conference on Private International Law. He says that the text of the convention "is designed to provide protection for children in the process of intercountry adoption by creating international cooperation between the governments of the countries involved. It will cut out several layers of

year, and problems have arisen with the selling of children."

The convention should facilitate the adoption process and eliminate such abuses. Mr. Dyer expects it to be passed by the conference on May 29.

"We're trying to make sure that the convention both limits the opportunities for problems and at the same time facilitates adoptions between countries," says William Pierce, president of the National Council For Adoption and a member of the U.S. delegation.

"It provides for the recognition of legal and other actions by cooperating governments. It is important that there is a clear understanding of the kind of preparation needed in terms of legal documents both for a woman giving up a child and for the adopting parents."

One problem the convention came up against, according to Mr. Pierce, was that "there were those who thought that intercountry adoption was so fraught with illegality and controversy that it should not take place at all." After years of work, international adoption has been recognized by the convention as preferable to foster care or institutional care in the child's home country.

Mr. Pierce points out that formulating the terms of the convention is a very

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INTERNATIONAL Herald Tribune

China's Very Big Problem

China is a very big country with a very big problem: It has 7 percent of the earth's arable land — and more than 20 percent of all its people. Today they number 1.17 billion. In several decades they will probably number 1.9 billion.

So what is a government to do when its vision of a rich new future is occluded by the prospect of millions more hungry inhabitants? The answer, for Beijing, is clear: You take family-planning decisions out of the hands of the people.

Angola: A Page Turns

For eight months, successive American administrations withheld recognition from Angola's MPLA, the UN-approved winner of elections. The theory was that recognition would cost the United States its middleman's role in bringing the MPLA together with the challenger, Jonas Savimbi's UNITA guerrilla organization.

democrat ideologically juxtaposed to the "Marxist-oriented" Mr. dos Santos. Once the waning of the Cold War brought a Russian-American-South African settlement, however, the Bush administration duly dropped Mr. Savimbi.

The Senators' Disservice

Senators David Boren, Democrat of Oklahoma, and John Danforth, Republican of Missouri, proposed a deficit reduction plan on Thursday that would, they say, cut about \$120 billion of taxes and \$160 billion of spending out of the Clinton budget plan.

already forced to bear an undue burden for taking care of the nation's poor simply because the poor are concentrated in their cities would be forced to do even more.

Other Comment

Two Swipes at Burma's Junta

If the rulers of Burma think everything is going their way, then two significant developments this week should give them pause.

President Bill Clinton flexed his diplomatic muscle and called on the Burmese junta to free pro-democracy leader Daw Aung San Suu Kyi and respect the 1990 election results.

Bosnia: Another Worthwhile Idea, Likely to Be Ignored

By William Pfaff

PARIS—There once was an interest to be served by Western intervention in Yugoslavia: a crucial interest — but was abandoned. That abandonment explains the rambling, acrimonious and indecisive debate about Bosnia going on today among the Western allies.

They already have troops on the ground in the former Yugoslavia and have already taken casualties. They do not want the United States to do anything that might further endanger those troops.

that Serbia has won its war. They are waiting for the Bosnians to stop struggling. Does anything of principle remain? There is one thing that could be done. The UN Security Council committed itself two weeks ago to the protection of five "safe havens" in Bosnia: Zepa, Tuzla, Gorazde, Bihac and Sarajevo.

ish, Spanish and other troops that make up the UN Protection Force, reinforced with a proportionate number of American and Russian ground troops (among others) and redeployed in the five safe zones.

It would spare the Western powers and the United Nations total ignominy when the sad history of this turning point in our decade is finally written. It merits doing. But it probably will not be done.

Kosovo, Battered and Fearful, Girds for Worse

By Jonathon Ledgard

LONDON — Here are two tales of Kosovo atrocities. From the Albanian media: An ethnic Albanian boy is rude to a Serbian woman; three Serbian policemen drag him into an alley. They beat him until his jawbone splits, then force a safetypin down his throat.

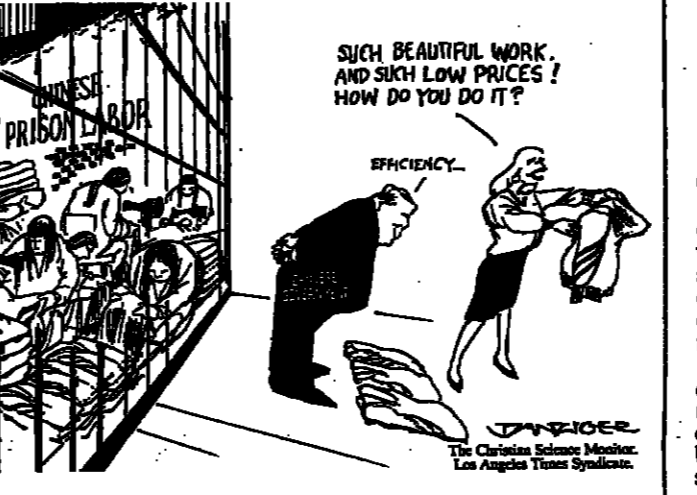
Arkan's "combat photographer," Marian Perovic, says his boss enjoys divine protection. "Arkan was out in the middle of a battle and the bullets came toward him then veered away," he said.

Arkan's "combat photographer," Marian Perovic, says his boss enjoys divine protection. "Arkan was out in the middle of a battle and the bullets came toward him then veered away," he said.

Don't Help The Chinese Oppressors

By A. M. Rosenthal

NEW YORK — The best way for the United States to help the Chinese people win relief from daily oppression is to keep enriching the Chinese economy through trade. Yes, that will also enrich the treasury of the Communist government and its ability to enforce Communist rule.



goes on in political prisons is not our affair; we are a business, not a human rights group.

Star Wars Is Dead! Long Live BMDO!

By Charles Krauthammer

WASHINGTON — In the most successful fake funeral since Tom Sawyer's, Defense Secretary Les Aspin last week buried "star wars," the missile defense system announced 10 years ago by Ronald Reagan.

that crazy system like Iran and North Korea might soon be able to deploy chemical and biological weapons on rockets that release not one but dozens of small bombs.

Japan's 'Surplus Machine' Won't Be Easy to Stop

By Kenneth S. Courtis

TOKYO — In the first three months of this year, Japan's net external surplus — \$36.1 billion — was more than the current account surplus generated by Japan in the entire decade of the 1970s, and was one-third larger than the figure for the same period in 1992.

high value-added parts to feed overseas assembly operations. This allows Japanese companies to build more defense long-term market positions. It also tends to lock foreign firms in a structure of relations in which they become consumers, and then distributors, of exports from Japan.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Irish in Hyde Park LONDON — The Irish National League of Great Britain held a demonstration in Hyde Park yesterday (May 21) in support of the Home Rule Bill.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairmen. LEW W. HUEBNER, Publisher. JOHN VINOCLIK, Executive Editor...

JAVICO 150



# Chen Kaige: Beyond the 5th Generation

By Joan Dupont  
International Herald Tribune

CANNES, France — Chen Kaige, born in Beijing, well over 6 feet tall, sports beige Japanese linen slacks, a white Mao-style shirt and sneakers; a yellow string is knotted around his wrist. "For luck," he says.

Chen is surely China's most Westernized Fifth-Generation filmmaker. He had a small role in Bernardo Bertolucci's "The Last Emperor," made a music video for Duran Duran and has an Upper Westside apartment in New York. His films — from "Yellow Earth" (1984), to "Farewell to My Concubine," his entry in this year's competition at Cannes — show his country's tumultuous history and arouse controversy.

Producing a film in China today is full of surprises. The Taiwan-born producer of "Concubine," Hsu Feng, who raised the money through her Hong-Kong based company, had the film made in Beijing studios. The film, which treats the subject of homosexual love, opened in Hong Kong in January and will be released throughout China in the fall, but because of Taiwan's quota system, it has been banned there.

"I'm very disappointed, but people will want to see it for three reasons," says Chen. "It's a hit in Hong Kong and people are interested in what goes on in Hong Kong; we have three top actors, Gong Li, Leslie Cheung and Zhang Fengyi; the third reason is because it's my movie."

The film takes its title from an 18th-century opera that ends in the suicide of the emperor and his concubine. The Hong Kong author Lilian Lee's 1985 best-seller was about two "theater brothers" brought up in the hard school of Beijing apprenticeship, and the woman who comes between them. Leslie Cheung, as the concubine and Gong Li, as a prostitute, vie for the same actor, played by Zhang Fengyi.

Chen, a brilliant director of crowd scenes, has pulled off a triumph: comp. He closes in on the intense personal drama, while passing through 50 years of history, from the warlord era, through Japanese occupation, civil war and Cultural Revolution and the era of reform. The actors' story ends in 1977, when they perform, once more, two old hoovers out of steam.

Chen, whose father is a well-known Chinese director, was 14 when the Cultural Revolution broke out and ambitious to become a Red Guard. Asked to denounce his father, he complied: "I betrayed my father. I knew it was the wrong thing to do — I can't forgive myself."

Chen is a surprise as the popularity of "Farewell to My Concubine" has been the hostility with which the European press has greeted "Faraway, So Close," a decidedly serious, elegantly made new film by Wim Wenders, who can usually do no wrong at Cannes. Among other things, he won the Palme d'Or for "Paris, Texas" in 1984. "Faraway, So Close" is the German filmmaker's follow-up to his immensely successful "Wings of Desire," for which he was given the best director's prize at the 1987 festival.

Although he resolutely denies that "Faraway, So Close" is a sequel to "Wings of Desire," it shares with the earlier film the same concerns and many of the same actors (Bruno Ganz, Otto Sander, Peter Falk and Solveig Dommartin) playing the same roles. It is also based on a strikingly similar situation: an angel's seduction by earthly love and the concept of mortality. In "Wings of Desire," it is the angel played by Ganz who falls to Earth to stay in West Berlin; in the new film, it is the angel played by Sander. The setting is today's reunified Berlin. The new film also features Willem Dafoe and, as a new angel, Nastassia Kinski.

self. I had the choice of saying nothing, but I was selfish. I saw my father's face go white."

He has written about this in "My Life as a Red Guard," which was published in Japan. Now part of his son's cinema family, the father was on the set during shooting.

After working on a rubber plantation in southwest China, Chen joined the army and aided the Viet Cong. In 1978, he entered the Beijing Film Academy, graduating with the group of post-Cultural Revolution students who came to be known as the Fifth Generation — filmmakers like Tian Zhanzhan ("Home Sweet Home"), and Zhang Yimou ("Raise the Red Lantern"), who was Chen's cinematographer. "I made my first two films with Zhang Yimou," he says. "Now he's a master."

Chen found adapting the screenplay from the novel exciting, and he made significant changes. "The Gong Li character was quite empty in the novel, just a shadow. I wanted her to be a little bit like Gong Li herself — smart, beautiful, strong, sometimes tough or tricky. Gong Li was great — she suffered a lot during the shooting because her sister was dying."

Although there is no nudity, Chen feels he has succeeded in



Chen Kaige, right, with the actor Zhang Fengyi.

showing a strong physical relationship between the two protagonists — "And that's new; it was interesting to treat homosexuality for the first time." He talks about homosexuality as if it were a remote country: "We had homosexuality along time ago, during the Ming dynasty," he says. "I treated it in a very subtle way. I made up the character of Leslie's mother — she didn't exist in the novel. I wanted

her to be a prostitute, like Gong Li's part: The boy doesn't know anything good about sex with women. This is my idea and it works."

"An official in the industry told me, if you show naked bodies making love, your film will be banned; be subtle and it's fine," the director said.

Although people are more open-minded now in China, there were three censors on the film. "We directors are an easy target," Chen said. "I've been worried about this film every minute."

"Farewell to My Concubine" has done well since its Hong Kong release; the official reason that the film hasn't been released in Taiwan was that the quota of Taiwanese actors in supporting roles had not been filled, but casting was completed before the law came into effect.

"The real reason? We hate each other; we don't know each other because of propaganda," the director signs.

And how would Chen feel if Miramax, the U.S. company that will release "Concubine" in the fall, wants to cut it down from nearly three hours? "They'd better ask me," he says. "But if they have good reasons... I made this film to be seen."

Chen, who keeps an apartment in New York, has been living in a hotel in Beijing for almost two years. Aware that this crosscountry of frontiers can leave a filmmaker adrift — he has never cut a deal with Hollywood — he acknowledges that this is a crucial moment in his career. "Every time I come to Cannes, I talk about doing a film on the Cultural Revolution — one day I want to do it. I have more energy now; I don't want to stop."

"And some day, you may hear that I'm making a commercial film in the States. Why not? I've had the title for a long time: A Marxist in New York. You like it? It could be a musical."

Because the family is so hard up, Aaron's beloved younger brother is sent away to live with relatives. After his tubercular mother is put into a sanitarium, Aaron's father, who is not supposed to be unfeeling or stupid, blithely goes off to sell wristwatches in Nebraska. He leaves the boy to fend for himself without money or anyone to call on for help.

Somewhat, Soderbergh misses both the serious comedy and the drama of the situation. The movie is sweet and sentimental, but it frequently appears headless.

The world's economic and political chaos has taken its toll on Cannes this year. Movie makers seem to be either ignoring the world, incapable of coming to grips with it or unable to find the money and facilities with which to work.

# A World View Of Asian Art In Washington

## Freer-Sackler Galleries Are Tribute to Collecting

International Herald Tribune

WASHINGTON — With the reopening of the Freer Gallery of Art on May 9 and its physical linkage to the Arthur M. Sackler Gallery built below ground level a few years ago, the most remarkable museum of Asian art in the world has become accessible to the public.

Nowhere else is it possible to look at some of the greatest works of art created in the Iranian world, including present-day Afghanistan and some Central Asian Republics, in India and its sphere of influence, in China, in Japan or in Korea. Taken separately, none of these cultures, excepting China, are better represented elsewhere in the West. It is the global approach that is fascinating and, even more perhaps, the twin approach of two great collectors, each with a different vision and different multiple focus.

Even though the Asian collection that Charles Lang Freer built up between 1894, when he embarked on his first tour of Asia, and his death in 1919 has been greatly added to since then, his imprint can still be made out in the present display.

THANKS to the book written jointly by Thomas Lawton and Linda Merrill on "Freer, a Legacy of Art," one gets some idea of the striking figure cut by Freer. Born poor and forced to leave school at the age of 14 to work in a cement factory, he retired a millionaire by the time he turned 45.

His long journeys to Asia, which lasted for months on end despite his failing health, his encounters with Japanese collectors such as the banker Hara Tomitaro, his dispute with dealers who filled a disused Buddhist temple with their wares and disguised themselves as monks prepared to sell their objects — all make a good read. Freer was a tough nut. He was also superlatively intelligent and determined.

The self-discipline he had displayed in his career served him in good stead when he chose to become acquainted with cultures and art forms utterly alien to anything he had been accustomed to. With the entrepreneur's ambitious vision, his avowed aim was to go after masterpieces. He often succeeded, venturing to look at objects that few in his time could recognize, let alone admire.

Freer's most astonishing achievement in this line is the collection of archaic Chinese bronzes, which he formed when hardly any Western collector knew anything about them. His great coup was the acquisition of a single but stunning group amassed by Marcel Bing, son of the famous German-born dealer in Asian art, Siegfried Bing.

Siegfried Bing, who spent most of his life in Paris, played a crucial role in making Japanese art familiar to the French collecting public. But it was Marcel Bing, Lawton said in an interview, who was the great connoisseur. When World War I broke out, Marcel Bing joined the British forces to fight the Germans. As a result, he was unable to look after his art business. Confronted with serious financial difficulties, the fighting dealer contacted Freer, offering to sell his group of archaic bronze vessels for \$100,000.

Even Freer, who had just invested \$1 million in the construction of the art museum he had long had in mind, did not have that money. As before in such circumstances, Freer turned to old friends, Ernest and Agnes Meyer, asking if they would go half-share with him.

They agreed, as before on similar occasions, eventually to bequeath them in their will to the museum in the making. And so it was that two of the most extraordinary Chinese bronzes in the world started the journey in time that was to end up at the Freer. One is a wine vessel shaped as a bird, which can be dated to the early fifth century B.C. and ascribed to the Eastern Zhou culture on the basis, among other things, of a related piece unearthed in 1987 at Taiyuan in Shanxi. This entered the Freer in 1961.

The other bronze is a ritual food container of the mid-11th century B.C. Two highly stylized feline masks in low relief each cover one half of the circular vessel. Bold handles topped by animal heads jut forth between the eyes and on either side. There is a furious power about the bronze despite its sophistication and enigmatic symbols that largely elude us.

Other bronzes of this caliber have been acquired since the opening of the Freer Gallery in its first incarnation, shortly after Freer died. In the same case as the bird, a large Eastern Zhou basin of the fifth century B.C. and a wine vase and cover, are among the objects that turn the Freer into the Western world's foremost museum of Chinese archaic bronzes from the 13th century B.C. to the eighth century A.D.

Masterpieces of comparable magnitude can be seen at intervals in other categories — a Song carved lacquer dish of the 13th century, a Ming blue-and-white dish painted with a rock garden motif in the early 15th century that ranks at the very top of its category, and a few more.

This makes it all the more regrettable that in the new display, so sparse as to look at times a bit thin, major holdings have been inconspicuously left out. It is surprising not to see a single piece of *ding yao* (the ivory glazed porcelains with carved blossoms of the Song dynasty), not one *guan yao* (the Song



Stone Bodhisattva of China's Tang dynasty, 8th century.

celadons with a delicate tone of turquoise green so admired in China and in the West alike), or hardly any Tang vessel worth mentioning.

While it is an enchantment to come into the Korean room (there was none in the old days) with such unforgettable pieces as the tall vase of *maoyang* type with the white sprays on ashy black ground, one almost wonders whether the institution ever heard of the superb Korean bronzes ranging from the 11th to the 13th century. Themes, it seems, have prevailed.

WHEN it comes to the Islamic world, one looks in vain for the room of Iranian art that the magnificent Freer holdings would easily allow. Instead, a few minimal groups of miniatures or objects leaving out some of the Freer's most famous works of art in storage appear here and there. The Mogul art of Persian-speaking India gets better exposure, but not Arab art. Here too some of the great pieces are out of sight. Finally, it would appear, may have had something to do with artistic choices.

The imbalance is partly compensated for by the unique counterpoint formed by the Arthur M. Sackler Gallery rooms. The late

psychiatrist, often underestimated in museums as in dealing circles, was endowed with a rare aptitude at recognizing great beauty. That includes restored pieces or objects of unassuming appearance at first glance. It is typical of Sackler to have bought one of the most beautiful bronze wine arcaic bottles anywhere, with an owl mask on its bulbous body, but also an exceedingly delicate and rare turquoise Shang stylized bird, even if not in mint condition. His Chinese archaic pieces beautifully complement Freer's gallery by adding some not to be seen early in the century.

Similarly, Sackler brought silver vessels from ancient Iran unavailable in Freer's time. He acquired the most beautiful drinking horn of the Sasanian period (224 to 651 A.D.) on view in any museum.

A few years ago, the Sackler, using funds from his endowment, made the most sensational and massive coup in recent museum annals. It bought at once the Henry Vever collection of Iranian miniatures. Not one is on view. The rotation of the collections, a sound principle adopted by the director of the two museums, Milo Beach, will allow many adjustments. It is not the least merit of this two-faceted museum of Asian art, with many more sides waiting to be discovered.

# Down to the Wire for Cannes Jury As Competition Enters Final Days, the 'Elves' Are Worried

By Vincent Canby  
New York Times Service

CANNES, France — "Judgment," Jack Valenti said the other night, "is the elf who acts like a computer when you get to that fork in the road." If that's true, and there's no reason to disbelieve the president of the Motion Picture Association of America, then it's apparent that a lot of elves are at the 46th Cannes International Film Festival as its final days.

Valenti, speaking in his own memorable syntax at a black-tie dinner, was teasing a colleague for the consistency of his wisdom and vision in matters relating to the American movie business in Europe. The judgment of Valenti's colleague may still be firm, but elsewhere in Cannes, judgments are as unreliable as they are unpredictable. Neither elves nor computers work well here.

Two days ago, it seemed as if "The Piano," Jane Campion's post-od romantic comedy with a modern sensibility, would be a cinch to win the Palme d'Or, the festival's top prize, when the awards are announced on Monday night. Today, all that has changed. If the local reviews are any indication of how the jury may vote, then "The Piano" has a formidable rival in Chen Kaige's "Farewell to My Concubine," the only Chinese entry in the main competition.

ion film, "Cliffhanger." Almost as big a surprise as the popularity of "Farewell to My Concubine" has been the hostility with which the European press has greeted "Faraway, So Close," a decidedly serious, elegantly made new film by Wim Wenders, who can usually do no wrong at Cannes. Among other things, he won the Palme d'Or for "Paris, Texas" in 1984. "Faraway, So Close" is the German filmmaker's follow-up to his immensely successful "Wings of Desire," for which he was given the best director's prize at the 1987 festival.

Although he resolutely denies that "Faraway, So Close" is a sequel to "Wings of Desire," it shares with the earlier film the same concerns and many of the same actors (Bruno Ganz, Otto Sander, Peter Falk and Solveig Dommartin) playing the same roles. It is also based on a strikingly similar situation: an angel's seduction by earthly love and the concept of mortality. In "Wings of Desire," it is the angel played by Ganz who falls to Earth to stay in West Berlin; in the new film, it is the angel played by Sander. The setting is today's reunified Berlin. The new film also features Willem Dafoe and, as a new angel, Nastassia Kinski.

Clearly a disappointment to admirers of Steven Soderbergh, though not a film to be ashamed of,

is his new "King of the Hill." The Cannes festival has an almost parental regard for the young American director. He came to international attention here in 1989 when his first feature, "Sex, Lies and Videotape," won the Palme d'Or.

The new film is based on A.E. Hotchner's memoir of growing up poor and often untended in a seedy St. Louis hotel in the Depression. There's nothing wrong with the movie, but also nothing that's especially arresting or distinctive. Jesse Bradford, who plays Aaron, the teen-age Hitchcock surrogate, has the kind of idealized good looks that suggest a generic rather than an idiosyncratic character. Even more troublesome is the manner in which the movie seems not to recognize the truly dark circumstances in which Aaron finds himself.

Because the family is so hard up, Aaron's beloved younger brother is sent away to live with relatives. After his tubercular mother is put into a sanitarium, Aaron's father, who is not supposed to be unfeeling or stupid, blithely goes off to sell wristwatches in Nebraska. He leaves the boy to fend for himself without money or anyone to call on for help.

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13 Month High Low Stock Div Yld PE 100 High Low Lastes Cl ve

13 Month	High	Low	Stock	Div	Yld	PE	100	High	Low	Lastes	Cl	ve
38 1/4	38 1/4	38 1/4	American Express			15.4	149	44.0	44.0	44.0		
34 1/4	34 1/4	34 1/4	Amgen			12.3	125	47.0	47.0	47.0		
29 1/4	29 1/4	29 1/4	Amgen			12.3	125	47.0	47.0	47.0		
35 1/4	35 1/4	35 1/4	Amgen			12.3	125	47.0	47.0	47.0		
36 1/4	36 1/4	36 1/4	Amgen			12.3	125	47.0	47.0	47.0		
37 1/4	37 1/4	37 1/4	Amgen			12.3	125	47.0	47.0	47.0		
38 1/4	38 1/4	38 1/4	Amgen			12.3	125	47.0	47.0	47.0		
39 1/4	39 1/4	39 1/4	Amgen			12.3	125	47.0	47.0	47.0		
40 1/4	40 1/4	40 1/4	Amgen			12.3	125	47.0	47.0	47.0		
41 1/4	41 1/4	41 1/4	Amgen			12.3	125	47.0	47.0	47.0		
42 1/4	42 1/4	42 1/4	Amgen			12.3	125	47.0	47.0	47.0		
43 1/4	43 1/4	43 1/4	Amgen			12.3	125	47.0	47.0	47.0		
44 1/4	44 1/4	44 1/4	Amgen			12.3	125	47.0	47.0	47.0		
45 1/4	45 1/4	45 1/4	Amgen			12.3	125	47.0	47.0	47.0		
46 1/4	46 1/4	46 1/4	Amgen			12.3	125	47.0	47.0	47.0		
47 1/4	47 1/4	47 1/4	Amgen			12.3	125	47.0	47.0	47.0		
48 1/4	48 1/4	48 1/4	Amgen			12.3	125	47.0	47.0	47.0		
49 1/4	49 1/4	49 1/4	Amgen			12.3	125	47.0	47.0	47.0		
50 1/4	50 1/4	50 1/4	Amgen			12.3	125	47.0	47.0	47.0		

# Among U.S. Stock Buyers, Bulls Outscore the Bears

By Tom Petruo  
Los Angeles Times Service

LOS ANGELES — The stock market has suddenly become a basketball game between the bulls and bears. And it doesn't look good for the bears.

On Thursday, the Dow Jones industrials drove up another 23.25 points to a record 3,523.28 after Wednesday's 55.64-point rally. On Friday, the index was about 30 points lower at the close.

In the Nasdaq market of smaller stocks, all but written off as dead money a few weeks ago, trading volume hit a record high of 343 million shares on Thursday. The Nasdaq composite index, covering about 4,000 stocks, which was trading late Friday at 694.53, is just about 2 percent below its record close of February.

Like most great rallies, this one came out of the blue, leaving market pros scrambling to explain the "turnaround" in investor sentiment.

But in fact, nothing has changed for the vast majority of investors, meaning individuals. They've been bullish all year, which is obvious from the record amount of cash they have poured into stock mutual funds.

Unfortunately for these individuals, too many of their fund managers sat on that cash in March and April, when they should have put it to work. Instead of heading their investors, those manage-

ers followed what became an increasingly gloomy official line from Wall Street.

A weekly poll of independent investment advisers nationwide, tallied by Investors Intelligence of New Rochelle, New York, shows how the bulls wrongly turned into bears this spring. The week of March 22, the poll showed 48.7 percent of advisers bullish, and only 30.1 percent bearish.

As the market turned choppy in the weeks that followed, many stocks were hit hard by profit taking. Instead of viewing the lower prices as bargains, however, the bulls wrongly retreated.

By early this week, the bulls totaled just 32.1 percent — the lowest percentage since September 1990 when this bull market began.

Didn't the bears have good reasons to be pessimistic about stocks? After all, inflation began to perk up this spring, pulling gold prices and bond yields higher as well. President Bill Clinton has been generally bad for stocks all year, first with his tax-like package and lately with his warping.

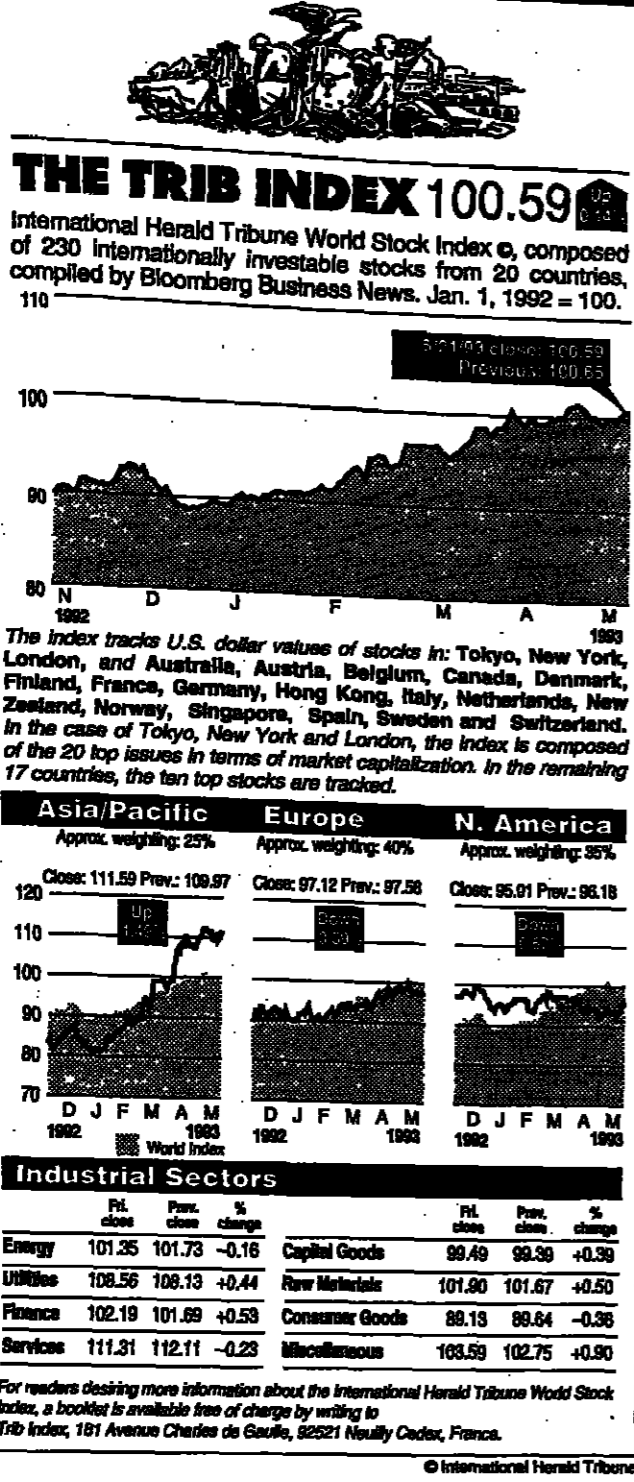
True, say the bulls. But they also argue that the bad news has been grossly exaggerated. What too many pros have been forgetting is that the big picture still looks favorable for stocks, because the ultimate determinants of stock prices are economic growth and rising corporate profit — both of which we have.

13 Month	High	Low	Stock	Div	Yld	PE	100	High	Low	Lastes	Cl	ve
38 1/4	38 1/4	38 1/4	American Express			15.4	149	44.0	44.0	44.0		
34 1/4	34 1/4	34 1/4	Amgen			12.3	125	47.0	47.0	47.0		
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37 1/4	37 1/4	37 1/4	Amgen			12.3	125	47.0	47.0	47.0		
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41 1/4	41 1/4	41 1/4	Amgen			12.3	125	47.0	47.0	47.0		
42 1/4	42 1/4	42 1/4	Amgen			12.3	125	47.0	47.0	47.0		
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36 1/4	36 1/4	36 1/4	Amgen			12.3	125	47.0	47.0	47.0		
37 1/4	37 1/4	37 1/4	Amgen			12.3	125	47.0	47.0	47.0		
38 1/4	38 1/4	38 1/4	Amgen			12.3	125	47.0	47.0	47.0		
39 1/4	39 1/4	39 1/4	Amgen			12.3	125	47.0	47.0	47.0		
40 1/4	40 1/4	40 1/4	Amgen			12.3	125	47.0	47.0	47.0		
41 1/4	41 1/4	41 1/4	Amgen			12.3	125	47.0	47.0	47.0		
42 1/4	42 1/4	42 1/4	Amgen			12.3	125	47.0	47.0	47.0		
43 1/4	43 1/4	43 1/4	Amgen			12.3	125	47.0	47.0	47.0		
44 1/4	44 1/4	44 1/4										



## 8 Firms Are Fined In Tokyo For Cartel

**By Andrew Pollack**  
*New York Times Service*

TOKYO — In a conclusion to a closely watched antitrust case, a Tokyo court on Friday found eight companies guilty of fixing prices of plastic film used for wrapping food.

The companies were assessed fines of between 6 million and 8 million yen, or about \$54,000 to \$73,000. Fifteen executives of the companies were given suspended sentences of six months to one year in prison.

Japan has been under pressure from the United States to toughen its antitrust enforcement in an effort to end cartels and other collusive practices.

The food-wrap case, filed late in 1991, was the first criminal prosecution under Japan's antitrust laws since an indictment against an oil cartel in 1974. The case was meant to show that Japan's historically weak Fair Trade Commission was getting tougher.

But if anything, the case came to symbolize the timidity of the commission. Critics said the agency was focusing on a minor case while not prosecuting much more serious cases, such as a huge construction industry bid-rigging case in a suburb of Tokyo. Indeed, some of the eight food-wrap companies did not deny price fixing but argued in court that it would be unfair to single them out since there were so many other more serious examples of price fixing in Japan.

The companies convicted Friday included Hitachi Borden Chemical Products Inc., owned partly by Borden of the United States. The others were Denki Kagaku Kogyo KK, Gunze Ltd., Mitsui Toatsu Chemicals Inc., Mitsubishi Plastics Industries Ltd., Nippon Carbide Industries Co., Riken Vinyl Industries Co. and Shin-Etsu Polymer Co.

**Manipulation Alleged**

Japan's 10-month-old securities watchdog filed its first criminal complaint Friday, accusing a speculator and a former finance company executive of manipulating stock prices. The Associated Press reported from Tokyo.

The action renews debate over whether the Securities and Exchange Commission, set up in July 1992, can be an effective monitor of illicit activity in Japan's stock market.

The criminal complaint targets Makoto Araya, a speculator, and Hiroshi Kimura, former managing director of Sumitomo Fudosen Finance Co.

The official said the two are suspected of manipulating the price of Nihon Unisys on the Tokyo Stock Exchange between September 1990 and May 1991.

## JAL's Nemesis: America U.S. Carriers' Edge Worries Tokyo

**By Paul Blustein**  
*Washington Post Service*

TOKYO — Susumu Yamaji, chairman of Japan Air Lines, is facing an unusual problem for a Japanese business executive — ruinous competition from Japan, mean American companies.

Unlike his Japanese counterparts in industries such as automobiles and electronics, Mr. Yamaji heads a company that is running far behind its American rivals in minimizing costs and aggressively luring consumers. Worse yet, those competitors — chiefly United Airlines and Northwest Airlines — are invading the only routes where JAL's strongest service and aggressively employ marketing techniques such as frequent-flyer programs.

In the U.S. administration's view, the American airline industry is facing a wave of protectionist moves by countries such as France, Germany and Japan that are trying to change aviation rules and reduce the rights of American carriers to land on their terrain.

These countries' efforts to coddle their own inefficient carriers raise the cost of air travel, Washington contends, and constitute a trade barrier against one of the United States' most successful industries.

Their governments counter that their carriers, many of which were only deregulated recently, are in no position to compete with American carriers who have been battle-tested by years of deregulation and cost-cutting competition.

JAL's case brings the issue into sharp focus as a possible confrontation looms between Tokyo and Washington over the matter. Each side is warning that it is prepared to impose sanctions on the other's flying and landing rights, evoking fears of a tit-for-tat conflict that could turn ugly.

Mr. Yamaji, who expects to meet with U.S. Transportation Secretary Federico F. Peña and influential members of Congress on his trip to Washington, is hoping to persuade his hosts that they should negotiate because JAL would not lose as much profitable traffic from a sanctions war as American carriers would.

But he may have a hard time answering critics who say JAL is a particularly bloated carrier that is resorting to just the sort of protectionist approach the Japanese government has been speaking out against in its overall trade policies.

JAL still has many of the features of the near-monopoly status that it had until a few years ago. As of last year, the average JAL pilot earned about \$174,000 compared with about \$118,700 for a United Airlines pilot and \$98,600 for an American Airlines pilot. The average JAL flight attendant earned \$64,900 — more than twice the amount paid to the average flight attendant for an American carrier.

"They aren't undertaking the kind of restructuring an airline company really needs," said Victoria Melendez, an analyst at Jardine Fleming Securities in Tokyo. "This is one case where a Japanese company can take lessons from an American company on how to restructure."

But JAL argues that no matter how much it restructures, the U.S.-Japan aviation treaty tilts the playing field in favor of American carriers. The pact was concluded in 1952, when Japan was still recovering from war and nearly all the passengers crossing the Pacific were Americans.

As Mr. Yamaji sees it, the American carriers have too many of the scarce landing slots at Narita — about 40 percent. Even more galling, in the Japanese view, is how the American carriers are trying to fly from the United States to Tokyo and Osaka and then pick up the lucrative Japanese traffic bound for Australia and other destinations on the Asian side of the Pacific.

Such flights make sense when planes could not fly long distances without refueling. But now, "the Americans are trying to turn Tokyo into their 'hub' for traffic that should go to Japanese, Asian and Australian carriers," a Foreign Ministry official complained.

The Japanese government has threatened to cut off the Osaka-Sydney portion of Northwest's New York-Osaka-Sydney flight unless the airline cuts in half the number of Australia-bound passengers that it takes on board in Japan. And it has rejected United's applications to fly from Tokyo to Sydney and to Kuala Lumpur.

## U.S. and Japan Move Toward A Showdown

**By Steven Brull**  
*International Herald Tribune*

TOKYO — Any attempt by the administration of President Bill Clinton to force Japan to set targets for reducing its trade surplus would create a showdown with Tokyo and might spoil prospects for the economic summit meeting of leading industrial nations here in July, officials and economists said Friday.

Mr. Clinton's leading advisers have recommended that the United States press Tokyo to accept numerical targets for reducing its global surplus by as much as 50 percent over the next three years.

Such a reduction, however, is virtually impossible to achieve, according to a range of analysis and officials here. So Tokyo would resist the demand even at the risk of greater frictions with Washington and an unsuccessful summit meeting of the Group of Seven nations, they said.

"The Americans are insisting on something the Japanese know they can't deliver," said Jesper Koll, an economist at S.G. Warburg in Tokyo. "We're moving rapidly towards a brick wall."

Mr. Clinton's advisers are urging that he adopt the more confrontational economic policy that challenges Japan to cut its trade surplus. The Washington Post reported this week, quoting sources.

Japanese officials reacted harshly to that report, reiterating the now predictable line that numerical targets are tantamount to managed trade and should therefore be avoided. "At least at present, Japan is not considering setting any concrete goals such as promising to curb the surplus," Finance Minister Yoshino Hayashi said.

It is unclear whether Mr. Clinton will endorse the plan to push for targets on macroeconomic indicators the administration has already stated its desire for measurable results in such market sectors as computers, automobiles and finance. Although the approach would put pressure on Tokyo to remove barriers to trade, economists say there is virtually no way Japan could halve its surplus in three years, even if it wanted to.

"It would be extremely difficult to reach such targets," a government economist said. He said that such a reduction could be achieved only by sucking in imports through sustained economic growth in excess of 4 or 5 percent, which is considered highly unlikely, or through unrealistically rapid changes in the level of domestic savings and consumption.

The plan reportedly would call on Tokyo to agree to reduce its current-account surplus to about 1.5 percent of gross domestic product in three years, and to bolster imports of manufactured goods to 4 percent. Japan's current-account surplus, which measures trade in both goods and services, accounted for about 3.2 percent of GDP in 1992 and is expected to rise to \$160 billion, or 4.0 percent of GDP, this year. Imports of manufactured goods are running at about 3 percent of GDP.

Tokyo, attempting to rally opposition to the Clinton administration's results-oriented policies, has gained the support of officials in

## ECONOMIC SCENE

### Is That Distant Thunder The Guns of Trade War?

**By Joel Hovav**  
*and James Gerstzang*  
*Los Angeles Times Service*

**RUSSELS** — A world trade war: The mere possibility sends shivers down the spines of economists and business leaders around the globe, who remember all too well that the last trade war accompanied the Depression of the 1930s. Yet the risk may be greater than at any time since then.

"A trade war is totally out of the question except for the fact that it has a good chance of happening," says Bill Brock, the U.S. trade representative a decade ago and now a Washington consultant. "Everybody knows how unbelievably stupid it would be, but it has a reasonable chance of occurring because like most conflicts, it spins up out of a whole series of little things."

Some of those little things may already be happening.

The Clinton administration is regularly threatening to close some U.S. markets to European goods if the European Community does not dismantle various barriers. The U.S. trade deficit with Japan is triggering new demands by U.S. manufacturers that Washington restrict Japanese imports unless Tokyo opens its markets. The Community has already tightened its limits on Japanese car imports.

Other dangers loom. Negotiations aimed at liberalizing world trade have been stalled for more than two years and could collapse if agreement is not reached by the end of this year. The U.S. Congress is moving to reinstate the president's power to act against nations that run heavy trade surpluses with the United States. The industrial world could be moving toward three trade blocs: the European Community, East Asia and North America.

"A trade war," warned Jim Rolio, director of international economics for London's Royal Institute of International Affairs, "is something that will creep up on us."

U.S. Trade Representative Mickey Kantor insists that the last thing the United States wants is a trade war. His frequent threats of closing U.S. markets, he says, are meant merely to pry open foreign markets to American goods. But a senior official in Mr. Kantor's office conceded: "We're at a pivotal point. If things don't get better, they could go the other way. The stakes are pretty high."

A minority of economists find the prospect of a trade war less than alarming. Jeff Faux, president of the Washington-based Economic Policy Institute, says free trade means jobs go to low-paid foreigners instead of better-paid Americans. Manufacturers feeling hamstringing by U.S. environmental regulations move production overseas. Com-

## Talks in U.S. Seek Common Standard for HDTV

**By Lawrence Malkin**  
*International Herald Tribune*

**NEW YORK** — Leading high-technology companies were locked in a down-to-the-wire negotiation Friday on cooperating to develop a common standard for the next generation of television, which could also give them the inside track to the information highway of the future.

With the obsolescence of Japan's prototype system of high-definition television, the Federal Communications Commission has delegated the task of defining a U.S. version to an industry-wide panel of competitors representing manufacturers, cable companies, commercial and research laboratories and others.

They met in the Washington office of Richard Wiley, the former FCC chairman who now is a lawyer in private practice. Spokesmen for several of the companies involved said they fully expected a deal to be struck. By all accounts, the negotiations had shifted from the question of protecting domestic jobs that had been injected into the debate at the last minute by European companies and the U.S. administration, to the technical and commercial factors that have dominated the talks for months.

Another last-minute complication came from U.S. computer companies, which threatened to develop their own system if the one favored by broadcasters was adopted.

If the rivals fail to agree by this weekend, the FCC has threatened to demand separate tests of their systems at a cost of \$80,000 each. FCC officials say they have no desire to force the groups through this additional, expensive and bureaucratically complex hoop and want industry to get moving on an agreed basis.

Until the government demanded that they work together, three groups had been competing for official approval of their rival technologies. They are General Instruments Corp. and the Massachusetts Institute of

## U.K. Inflation Slows Due to Tax Change

*Compiled by Our Staff From Dispatches*

**LONDON** — Britain's annual inflation rate plunged to a 29-year low of 1.3 percent in April, the government reported Friday.

The chancellor of the Exchequer, Norman Lamont, interpreted the figure, the lowest since February 1964, as a sign that Britain was "firmly in the low-inflation camp" among industrial countries.

But independent economists said that a one-time tax factor had caused most of the drop and that upward pressure on prices remained.

The decline "clearly isn't going to be sustainable, and there's a real risk that we're in for another boom-bust" in the economy, said Martin Bell, treasury economist at Royal Bank of Scotland. "All of the decline was due to this special tax factor."

The council tax, based on the estimated value of property, replaced the community charge, a flat poll tax. The council tax for an average household was lower than the community charge.

An official of the Central Statistical Office said that shift had trimmed 0.7 of a percentage point off the annual rate, which was down from March's 1.9 percent. Earlier this week, the Bank of England said in its quarterly report on inflation that the effect from that change was likely to be reversed by June.

Inflation excluding both mortgage-interest costs and the local-government tax change showed a year-on-year rate of 3.3 percent in April, after 3.1 percent in February and 3.2 percent in March.

The government has a target of between 1 and 4 percent underlying inflation for the year.

"These figures were better than we were expecting, but they also suggest that there were a number of one-off factors here," said John Kendall, bond economist at Baring Sterling Bonds. Many goods categories in the index, such as household goods and clothing and footwear, suggest inflation is brewing.

"From now on you'll see rates beginning to climb," he said.

The statistical office attributed much of the monthly rise in the headline rate to increases in excise duties announced in the British government budget, which came into effect at the beginning of April. Taxes were increased on gasoline, cigarettes and alcohol, among other things.

More of that is to come. The Bank of Eng-

## U.S. Reporters Demand Access to Tokyo Results

**By Steven Brull**  
*International Herald Tribune*

**TOKYO** — A U.S. news agency stepped up its fight for equal access to information on Friday, entering the Japanese-only press club at the Tokyo Stock Exchange and demanding corporate earnings results at the same time as Japanese reporters.

After two journalists from Bloomberg's Business News began asking corporate officials for earnings announcements, a group of Japanese journalists approached and asked them to stop. "They yelled at us to get out of the room," said David Butts, Tokyo Bureau Chief.

For the past 18 months, Bloomberg and other Western agencies have been lobbying for full membership in the Kabuto Club, as the press club at the

## CURRENCY & INTEREST RATES

Cross Rates	May 21
American \$	1.0000
British £	1.4825
French F	1.6363
German M	1.7548
Italian L	1.9364
Japanese ¥	147.85
Swiss S	1.4833
Other Dollar Values	
Canada C\$	0.7450
France F\$	6.5595
Germany G\$	4.7536
Italy I\$	5.2037
Japan J\$	109.40
UK £	1.4825
US \$	1.0000

Eurocurrency Deposits	May 21
1-month	3 1/4%
3-month	3 3/4%
6-month	3 3/4%
1-year	3 3/4%

Key Money Rates	May 21
3-month T-bill	7 1/2%
6-month T-bill	7 1/2%
1-year T-bill	7 1/2%
3-month Treasury note	7 1/2%
6-month Treasury note	7 1/2%
1-year Treasury note	7 1/2%
3-month Treasury bond	7 1/2%
6-month Treasury bond	7 1/2%
1-year Treasury bond	7 1/2%

## Small Electric Firm a Big Power in Pay

**Citizens Utilities Chief's Package Is Valued at \$21.6 Million**

**By Alison Leigh Cowan**  
*New York Times Service*

**NEW YORK** — How much pay should the chairman and chief executive of a small public utility company get?

At Citizens Utilities, which is based in Stamford, Connecticut, \$21.6 million seems to be the right number. That was what Leonard Tow, a 64-year-old economist who runs the company, received last year, according to an independent valuation by a leading pay expert based on a study of the company's public records. That did not include the \$10.5 million that Mr. Tow received from Century Communications Corp., another publicly traded company he runs.

Neither figure includes other provisions in his employment contracts that will shower him with additional millions of dollars, regardless of the companies' performance.

One way to look at it is that more than 800,000 customers in 13 states who get their electricity, water, gas or telephone service from Citizens paid an average of \$26 each last year to provide Mr. Tow's pay.

Mr. Tow's fair for deal-making received national attention this week when Citizens announced the purchase of several small tele-

phone properties from GTE Corp. for \$1.1 billion. But unappreciated until now, at least by his shareholders and state regulators, has been Mr. Tow's skill in deal-making for himself.

"The utility chief professes to know little about his pay — which includes stock options, restricted stock awards and retirement benefits in addition to nearly \$1.3 million in base salary and bonus at Citizens. He said his lawyer and the company had worked out the details."

Mr. Tow said further that he had not read the pay analysis by Graef Crystal, a specialist on compensation, and he said he did not know why Mr. Crystal's valuation of his package had come in higher than the \$15.2 million reported in the company's proxy filings. Either way, he said, Mr. Crystal is "off his rocker."

"My compensation is basically of the order of \$1 million," Mr. Tow said. "Beyond that, everything else is related to some kind of grant or bonus which is performance-related."

"I'm not getting paid any differently than Mike Eisner at Disney or Roberto Goizueta at Coca-Cola," he continued, referring to two industry leaders' pay packages of the last two years that amounted to tens of millions of dollars. "I'm performing better than those guys and getting a fraction of what those guys get. It's hard to find a guy who can do it in one company. I do it with two companies."

"If you were working at two jobs, wouldn't you expect to be paid at two jobs?" he said. "That's exactly what I do. Even when I sleep, I think about these companies. I wake up in the middle of the night with a note pad, and am busy writing this idea or that idea down."

On annual revenue of \$589 million last year, Citizens Utilities earned \$115 million. That was a rise of only \$2.7 million from the year before and its smallest percentage gain in earnings in more than a decade.

Mr. Tow's involvement with Citizens began in 1989, when Century Communications purchased a 2 percent stake in the company from an investor group led by Richard L. Rosenthal, its longtime chairman, who had once turned down Mr. Tow for a job. Mr. Tow won a seat on the board, and 14 months later became chairman and chief executive.

Mr. Tow's compensation came to light recently because of rules adopted by the Securities and Exchange Commission last year that required companies to be more candid about executives' pay.

MARKET DIARY

Interest-Rate Rise Undercuts Stocks

Bloomberg Business News
NEW YORK — U.S. stocks slumped Friday as long-term interest rates rose above 7 percent to the highest level in seven weeks.

N.Y. Stocks

San Francisco, "That's what we saw happen today."
The Dow Jones industrial average, which had surged 2.3 percent in the past two days to a record 3,523.28, fell 30.45 points or 0.9 percent to 3,492.83 on Friday.

The slump in stocks accelerated in the final hour of trading as investors unwound positions related to the expiration of stock-index options and options on individual stocks.

Declining common stocks led advances about 3 to 2 on the New York Stock Exchange. Trading was active, with almost 273.2 million shares traded on the Big Board.

Dollar Chalks Up Gains On Mark, but Yen Rises

Compiled by Our Staff From Dispatches
NEW YORK — The dollar finished mixed Friday, closing near its highs for the week against the Deutsche mark as higher American interest rates and Danish approval of the Maastricht treaty gave investors more reasons to dump the German currency.

Foreign Exchange

after months of turmoil, which would make the mark less attractive as a haven, traders said.
The dollar finished at 1.6255 DM, up a penny from Thursday's close of 1.6155 DM, but fell to 110.30 yen from 110.60 yen, weighed down by concern about the United States' swelling trade deficit with Japan.

Persistent concern about weakness in the German economy also hurt the mark, prompting investors to dump it for other currencies.
With the German economy in the doldrums, German interest rates are expected to continue falling.

Elsewhere, the pound slipped to \$1.5430 from \$1.5566 Thursday. The dollar rose to 5.4730 French francs from 5.444 francs but gained to 1.4681 Swiss francs from 1.4660 francs. The dollar rose to 1,480 Italian lira from 1,473.5 lira.

Yields on short-term Treasury notes rose, with the yield on the two-year note gaining to 4.09 percent, its highest level since early February.
A surprise jump in the U.S. money supply, which some analysts see as a warning that inflation might accelerate, sent bond prices lower, traders said.

WORLD STOCK MARKETS

Table with columns for Market, Close, Prev., Change. Includes Amsterdam, Helsinki, Montreal, Sao Paulo, Singapore, Stockholm, Sydney, Zurich, Frankfurt, London, Milan.

Markets Closed

Stock markets in Brussels and Paris were closed Friday for a holiday.

The Dow



NYSE Most Active

Table listing most active NYSE stocks with columns for Volume, High, Low, Close, Change.

NYSE Diary

Table listing NYSE diary entries with columns for Date, Volume, High, Low, Close, Change.

NASDAQ Diary

Table listing NASDAQ diary entries with columns for Date, Volume, High, Low, Close, Change.

Dow Jones Averages

Table showing Dow Jones averages for various sectors like Industrials, Finance, Utilities, etc.

Standard & Poor's Indexes

Table showing Standard & Poor's index values for different categories.

NYSE Indexes

Table showing NYSE index values for various market segments.

NASDAQ Indexes

Table showing NASDAQ index values for different sectors.

AMEX Stock Index

Table showing AMEX stock index values.

Dow Jones Bond Averages

Table showing Dow Jones bond averages for various maturities.

Market Sales

Table showing market sales volume for different categories.

NYSE Odd-Lot Trading

Table showing NYSE odd-lot trading statistics.

S&P 100 Index Options

Table showing S&P 100 index options data.

EUROPEAN FUTURES

Table showing European futures prices for various commodities.

Industrials

Table showing industrial futures prices.

Stock Indexes

Table showing stock index futures prices.

Spot Commodities

Table showing spot commodity prices.

Dividends

Table showing dividend information for various stocks.

STOCK SPLIT

Table showing stock split information.

U.S. FUTURES

Table showing U.S. futures prices for various commodities.

Grains

Table showing grain futures prices.

Metals

Table showing metal futures prices.

Livestock

Table showing livestock futures prices.

Financial

Table showing financial futures prices.

Food

Table showing food futures prices.

COFFEE (COTCE)

Table showing coffee futures prices.

SOYBEAN OIL (SOYBO)

Table showing soybean oil futures prices.

U.S. / AT THE CLOSE

\$4.6 Billion Expansion for May Stores

ST. LOUIS, Missouri (Reuters) — May Department Stores Inc., the No. 1 U.S. department store company, announced a plan on Friday to spend \$4.6 billion over the next five years to open 100 department stores and 1,200 shoe stores.

Utah Bank Buying Discount Corp.

NEW YORK (Bloomberg) — Discount Corp. of New York, the last independent dealer of U.S. government securities, agreed Friday to be acquired for \$65 million by Zions Bancorp, a Utah bank holding company.

Warner Brothers Has Deal With Fuji

BURBANK, California (UPI) — Warner Brothers announced Friday a production deal with Fuji Television Network Inc.
Warner, the movie studio that is a unit of Time Warner Inc., and Fuji, Japan's largest television production and distribution company, said they had agreed with Outlaw Productions to produce and distribute between four and seven feature films.

Exxon Will Start Drilling in Nigeria

IRVING, Texas (UPI) — Exxon Corp. said Friday its Esso Exploration affiliate and Production Nigeria Ltd. had signed a production-sharing agreement with the Nigerian National Petroleum Corp.
The agreement is Exxon's first for exploration and production in Nigeria. Exxon said the deal would give it the right to explore and operate a 500,000-acre (202,000-hectare) area off the Nigerian coast.

For the Record

Digitrax Systems Inc.'s stock was suspended Friday for 10 days by the Securities and Exchange Commission, which cited questions about the adequacy and accuracy of the company's earnings report for financial year 1992 and subsequent financial statements.

Liberty Media Corp. to pay \$114 million

Liberty Media Corp. is to pay \$114 million, 9 percent more than planned, to buy Home Shopping Network Inc. shares after an unexpectedly strong response to its tender offer. The purchase will increase Liberty's ownership of Home Shopping's voting stock to 71 percent from 65 percent, and its equity stake to 41.5 percent from 23 percent.

BRITISH POUND (GBP)

Table showing British pound futures prices.

CANADIAN DOLLAR (CAD)

Table showing Canadian dollar futures prices.

SWISS FRANC (CHF)

Table showing Swiss franc futures prices.

HEATING OIL (NYMEX)

Table showing heating oil futures prices.

UNLEADED GASOLINE (NYMEX)

Table showing unleaded gasoline futures prices.

NYSE COM. INDEX (NYMEX)

Table showing NYSE commodity index futures prices.

COMMODITY INDEXES

Table showing various commodity index values.

Market Guide

Table providing a market guide with various market indicators.

Large advertisement for 'many's Leader's...' and 'Prepares' on the right edge of the page.

# Germany's Insiders in Spotlight

## Union Leader's Case Underlines Laxness of Rules

By Ferdinand Protzman  
New York Times Service

BONN — Germany's lax views on insider stock trading came into focus this week when Franz Steinbühler, the nation's most powerful labor leader, was accused of engaging in insider trading by profiting handsomely from information he received as a member of the supervisory board of Daimler-Benz AG, the country's largest company.

While it is a crime in most other industrial countries, trading on insider information is not illegal in Germany and it is not unusual. The eight German stock exchanges try to prohibit it by a gentlemen's agreement, under which suspicious cases are investigated by an insider-trading commission appointed by the exchanges.

But the penalties are seldom more than a slap on the wrist, like forcing insider traders to forfeit all or part of their profits. The commission is now investigating Mr. Steinbühler, president of the IG Metall metalworkers union — Germany's biggest union — on a transaction that netted him a profit of 64,000 Deutsche marks, or about \$40,500. Although Mr. Steinbühler denies any wrongdoing and is not expected to resign, the insider-trading accusations have hurt his reputation at a time when he is helping to lead a huge strike over the pay of steel and metal workers in Eastern Germany. The accusations have also put the spotlight on Germany's relatively lax attitude toward trading on inside information.

"At a time when Frankfurt is trying very hard to compete with London as Europe's leading financial center, this is something we certainly did not need," said a senior banker in Frankfurt who asked not to be named. "It is a black eye for the market and could make foreign investors avoid German stocks. And legal or not, it was morally a very questionable thing for a trade union leader to do."

Legislators in Bonn have been trying to formulate tougher securities laws since 1991, when the Frankfurt exchange was tarnished by a major insider-trading scandal involving some 30 brokers.

But proposals that would make trading on insider information a criminal offense punishable by up to three years in prison or fines have been bogged down and all but forgotten.

The current investigation centers on the announcement on April 2 by Daimler-Benz's supervisory board that it planned to dissolve a subsidiary called Mercedes AG Holding and convert that unit's shares into Daimler-

Benz stock on a 1-to-1 basis at the end of this year. That announcement drove up the price of Mercedes Holding shares, which at the time were trading nearly \$77.57 below Daimler shares.

The insider-trading commission began investigating because Mercedes Holding shares began rising several days before the announcement.

Mr. Steinbühler admits buying nearly 1 million DM worth of Mercedes Holding shares between March 18 and April 1, some of them on his own account. He has since sold about 1,000 shares.

He said that he did not know any more about Mercedes Holding than the average newspaper reader and that he first learned of the deal on April 2, the second day of Daimler's two-day supervisory board meeting, when Hilmar Kopper, chairman of the supervisory board and chief executive of Deutsche Bank AG, announced the plan.

Some politicians and unionists demanded this week that Mr. Steinbühler step down from his union post and relinquish his seats on the supervisory boards of Daimler-Benz and Volkswagen AG. But others have voiced strong support for him and it appears likely that he will keep his posts.

# EC Panel Urges Action to Avert Currency Crises

KOLDING, Denmark — European Community finance ministers meeting here Saturday are likely to endorse two reports on last September's currency upheavals, but acceptance may mask differences over the use of central bank intervention to calm markets, EC monetary sources said.

The ministers have before them two reports. One is from the EC monetary committee, which groups heads of national treasuries and deputy central bank governors, and one from the committee of EC central bank governors.

The monetary committee report backs greater use of intervention before currencies reach their limits in the exchange-rate mechanism, "in situations where market perceptions can be easily influenced."

The report recommends greater readiness by EC monetary authorities to catch the market unaware by taking decisions on economic policy changes earlier.

Such changes might concern domestic fiscal and monetary policy reforms, or the more flexible tools of interest-rate changes, foreign-exchange market intervention, or ERM realignment itself, it said.

Key principles the monetary committee recommends are more frank talking between member states, intensive concentration among central banks, and readiness of particular governments to head pressure from other EC partners for policy change.

The last point is likely to prove controversial since it could impinge on national sovereignty, the sources said.

The monetary committee's report comes in the aftermath of last

### Investor's Europe

Exchange	Index	Change	Change %
Frankfurt DAX	1,818.89	+1,677.41	+0.42
London FTSE 100	2,816.90	+0.16	+0.01
Nikkei	12,171.18	+2.95	+0.02
Amsterdam CSE 100	1,942.20	+0.29	+0.01
Business Stock Index	6,108.26		
Frankfurt DAX	1,818.89	+1,677.41	+0.42
Frankfurt FAZ	658.78	+0.47	+0.07
Nikkei	12,171.18	+2.95	+0.02
London FTSE 100	2,816.90	+0.16	+0.01
Nikkei	12,171.18	+2.95	+0.02
Nikkei	12,171.18	+2.95	+0.02
Paris CAC 40	1,936.78		
Stockholm	1,291.85	+1.53	+0.12
Vietnam	365.42	+0.07	+0.02
Zurich	758.70	+0.07	+0.01

Sources: Reuters, AFP

- ### Very briefly:
- Bank of Portugal is to cut its discount rate from 14.5 percent to 13.5 percent with effect from Saturday. The bank said that it would also reduce its reference TBO bond rate from 16 percent to 14.5 percent. The two rates had been unchanged since March 1989.
  - Thyssen Aufzüge GmbH, an elevator unit of Thyssen AG, said it bought a majority of a French rival, Compagnie Générale d'Applications Ascenseurs SA, from Compagnie Générale des Eaux for an undisclosed sum.
  - General Motors (Europe) AG's president, Louis Hughes, was elected a member of Deutsche Bank AG's supervisory board of directors.
  - Adam Opel AG, a GM unit, is expected to report a drop in 1992 group pretax profit to 920 million Deutsche marks (\$71 million), from 1,075 billion DM a year earlier, the magazine TopBusiness said. The company would not comment, saying its results would be released June 22.
  - Total Compagnie Française des Pétroles, the state-owned oil company, said test drilling at the Cupiganga field in Colombia was encouraging and confirmed "the presence of a significant amount of hydrocarbons."
  - Swan Hunter, Britain's financially troubled shipyard, will lose 420 jobs from a total work force of 2,200, labor unions said. Swan Hunter called in receivers last week after it failed to win a key order.

# Kohl Prepares Germans for Austerity

BONN — Chancellor Helmut Kohl of Germany is preparing public opinion for a hard-hitting dose of economic austerity, the result of deepening recession.

Mr. Kohl urged his last cabinet meeting to prepare "severe economies" in ministerial budgets as part of the draft federal budget for 1994, which is to be adopted by the government on July 13 before being presented to parliament.

Before the meeting, Mr. Kohl met with Finance Minister Theo Waigel to express support for him in his meetings with ministers, a government spokesman said.

Meanwhile, Mr. Kohl removed an expensive draft bill to create pensions for the spouses of

farmers from the agenda for the cabinet meeting. Seriously painful measures had been delayed by the need to reach consensus in agreeing on the so-called "solidarity pact" in March.

A member of parliament of the Christian Democratic Union party that is led by Mr. Kohl, Christian Neuling, outlined the cuts under consideration in remarks to the newspaper Bild on Friday.

He said he might have to cut payments to the unemployed by 3 percent, cut pay for people on public-works projects by 25 percent and reduce state aid for the steel, coal and agricultural industries, totaling 120 billion Deutsche marks (\$75 billion) per year, by 10 percent.

He also suggested that the 75,000 skilled staff

employed by labor offices in the west of the country be reduced to 60,000.

Some close to the governing coalition said that a project to provide help to those unable to look after themselves might be revised downward and family benefits might be reduced.

The solidarity pact, a program negotiated with the opposition Social Democrats, was intended to boost resources for reconstruction of the economy in Eastern Germany while improving the state of public finances.

Consequently, the new round of cuts is expected to come as a rude dose of reality for Germans believing that the pact had marked the end of belt-tightening.

# JAPAN: Toward a Showdown With Washington Over Trade Surplus?

Australia and Southeast Asia. Japan will take its case to the 24-nation Organization for Economic Cooperation and Development at its ministerial-level meeting in Paris early next month. "I think Canada and some European nations will be opposed," a Foreign Ministry official said. Even if the Clinton proposal is rejected by multilateral organizations, however, Washington could press its case bilaterally.

That could derail hopes of major accomplishments at the Group of Seven summit meeting.

The United States, along with its allies, is hoping to use the summit meeting to help push the world economy out of its slump by promoting new growth initiatives and putting the leaders' stamp of approval on a key element of any global trade agreement, a package of measures designed to broaden market access for a wide variety of goods.

Japan's current-account surplus as a percentage of gross national product peaked in 1986 at 4.2 percent. GNP, a broader gauge of national output than GDP, was the standard of measurement in Japan

at that time. A year later, officials debating the need for structural changes necessary to shrink the imbalance toyed with the idea of setting a target for the surplus of 2 percent of GNP. The idea, however, was quietly shelved.

Tokyo's current-account surplus, nonetheless, began to fall rapidly due to the doubling of the yen's value against the dollar and stimulative monetary and fiscal policies that led to the late 1980s asset-inflation spiral of land and stock prices. The current-account surplus fell as low as 1.2 percent of GNP in 1990 as Japanese consumers lapped up BMW cars, French paintings and other luxury goods.

There is little scope for similar policies now, and little hope for similarly swift results. Even with trillions of yen in fiscal stimulus measures announced over the past year, the Japanese economy is unlikely to stage a recovery before later this year, even then, growth will be modest at best.

Japan's currency has appreciated more than 10 percent since the start of this year, a rapid move that will lead to greater imports. The increase in imports, however, will be

smaller than in the late 1980s because the yen's appreciation is proportionally smaller. Moreover, as Japanese companies marched upscale in the late 1980s to overcome the strong yen, their exports grew increasingly resistant to exchange-rate movements. For a host of products, from specialized machine tools to mini-disk players, Japan enjoys little competition.

Attempts to increase imports by altering structural features of Japan's economy, such as its complicated retail distribution system and inefficient land policies, would en-

counter severe domestic political opposition. "It would be suicidal for the Japanese to agree to such interference in their domestic macro economy by an outside power," Mr. Koll said.

The remaining option, the one advocated by Tokyo, is for America to reduce its budget deficit and make its industries more competitive. "If the United States doesn't think about the problem by itself, who is going to think about it?" asked Mr. Hayashi, the finance minister.

■ 'Ambitious' on GATT  
Arthur Dunkel, director-general of the General Agreement on Tariffs and Trade, says the Dec. 15 deadline set by the Clinton administration for finishing long-running multilateral trade negotiations is an "ambitious" target, Agence France-Press reported from Paris.

In an interview to appear on Monday in the magazine Valeurs Actuelles, Mr. Dunkel says, "Meeting that target will entail very concentrated negotiations, at a time when we are getting close to the traditional summer vacation period. Hence we risk running out of time in the second half of the year."

# If It Can Be Had 'for a Song,' Will It Cost More in Britain?

LONDON — Consumer groups say they're a ripoff. The industry says high prices are justified by high spending on development. The government is being asked to investigate.

That is the dissonant sound being made about music — specifically, about compact disks — in Britain today.

Derek Prentice, assistant director of the British Consumers Association, is the one making the ripoff charge, for reasons like these: "Dark Side of the Moon," a CD of the rock-music standard recorded by the British rock group Pink Floyd, generally sells for about £14.99 (\$23.31) in a major London record shop but only costs about \$14.99 — the equivalent of £10.44 when sales tax is added on — in a comparable New York outlet.

For those with other musical tastes, the story is much the same. The Welsh National Opera's version of the Mikado costs £14.49 in London but about £4 less than that in New York. "Divya" by the British star Annie Lennox is £1.53 cheaper in New York.

The British Phonographic Industry, which represents record companies in Britain, replies that preserving the large and varied repertoire of the British popular-music industry requires major spending on discovering new talent, a process referred to as A&R,

for artist and repertoire. The organization says the U.K. record industry invests as much as 13 percent of its sales in A&R, which it says is much more than the American record industry spends.

Tressan MacCarthy, an analyst at Panmore Gordon & Co., sides with the companies. "The U.K. spends far more on A&R than any other country," she said.

Last week, Bryan Carsberg, director-general of the Office of Fair Trading, said he would ask the Monopolies and Mergers Commission to conduct an official investigation, after a panel of legislators recommended that British compact-disk prices be cut.

The committee, chaired by Gerald Kaufman, a member of Parliament for the opposition Labor party, said record companies could not give satisfactory explanations for the price differences.

The Consumer Association says record companies are using copyright law to keep out cheaper imported CDs. Some analysts say British music retailers insist on profit margins that are higher than those of their American counterparts.

But retailers insist this is not the case — a spokesman for W.H. Smith & Co. said its profit margins were "a lot smaller than you think" — and say the trans-Atlantic price difference is due to the economies of scale that the much larger American market allows.

# Kuwaiti Office Set to Appeal Swiss Seizure

LONDON — The Kuwait Investment Authority, parent of the London-based Kuwait Investment Office, said on Friday it would seek to appeal a Swiss court order freezing its Swiss assets.

The freeze was obtained by the Spanish packaging company Sarrío SA in pursuit of its claims in Spain of some \$75 million against the KIO's Spanish investment arm, Grupo Torres.

The KIA statement said action against Torres was preliminary and that it had sought to have the Swiss action set aside.

KIO accounts in the Geneva banks Swiss Kuwaiti and Odeir Lombard have been frozen.

The Swiss action by Sarrío followed the collapse of Kuwait's \$5 billion investments in Spain and the insolvency of Grupo Torres last year.

# FREE INFORMATION

## FROM INTERNATIONAL INVESTOR XXVII

### INTERNATIONAL Herald Tribune

The latest information from the distinguished companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon (at the bottom of the page) and return it to us before June 18. The report(s) will be mailed to you by the companies involved.

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## Schindler

### Schindler 1992

Schindler, one of the world's leading elevator and escalator manufacturers, offers its products and services 24 hours a day in more than 100 countries around the world. Every day, 500 million people use Schindler facilities. Group key figures in fiscal 1992: Orders received Sfr. 4202 million (US\$ 2898 million), operating income Sfr. 4457 million (US\$ 3074 million), net profit Sfr. 110.7 million (US\$ 76.3 million), cash flow Sfr. 284.5 million (US\$ 196.2 million), personnel 32656. [Exchange rate applied: 1 US\$ = Sfr. 1.45].

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## INTERNATIONAL Herald Tribune

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# CONFLICT: In the Wind, the Sounds of an Approaching Trade War?

(Continued from first finance page)

petition from abroad has all but wiped out some U.S. industries (consumer electronics) and devastated others (cars, steel, textiles). "We just don't think that the world's economy and the fate of Western civilization ride on whether we have more trade or less trade," Mr. Faux says.

In the view of most analysts, however, trade wars have nothing but losers. True, some manufacturers profit temporarily because their domestic markets are shielded. But even these manufacturers lose out in the long run: They become flabby and unable to survive fair competition from abroad.

"The early stages tend to be, on balance, politically pleasant," says Gary Hufbauer, an analyst with the Washington-based Center for International Economics. "But the inefficiencies and high costs come back to haunt you."

Companies that rely on foreign markets sulfocate during a trade war. The United States

exported \$448 billion-worth of goods last year; economists estimate that as many as 13 million Americans owed their jobs to international trade in goods. That does not count the \$178 billion in exports of such services as movies, telecommunications, shipping and banking.

The Paris-based Center for Forecasting and International Information has analyzed the probable consequences of a severe trade war. It assumed that total world trade would decline by nearly 20 percent. The center's analysis concluded that world economic output would be 15 percent lower in the year 2000 than it would be without a trade war. There would be 23 percent less economic output in industrial Asia, 13 percent less in Europe and 7 percent in the United States.

It is the United States that usually gets the blame for starting the last world trade war, in the Depression. The instrument was the infamous Smoot-Hawley Tariff Act of 1930, which sent tariffs soaring on most imports: hand tools

(45 percent); china and porcelain (60 percent); champagne (\$6 per gallon).

Smoot-Hawley triggered a tidal wave of retaliation, from Canada, Mexico, Britain, Germany, France, Japan and Australia, among others.

After World War II, the world's top trading nations set up the Geneva-based General Agreement on Tariffs and Trade, or GATT. Six rounds of negotiations under GATT auspices reduced average global tariffs on manufactured goods from 40 percent in 1950 to 4 percent today. The volume of world trade exploded.

Now 115 nations are participating in the seventh round of GATT negotiations, known as the Uruguay Round. The round's agenda, the GATT's most ambitious ever, includes tightening rules on such sensitive products as farm goods and textiles, where industrial countries are trying desperately to protect domestic workers from low-cost competition from abroad.

# NASDAQ

Friday's Prices  
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	12 Month Low	Stock	Div	Yld	PE	52	52
						Week	Week
110.00	105.00	IBM Corp	3.00	2.8	15	110	105
100.00	95.00	Microsoft	0.00	0.0	25	100	95
90.00	85.00	Oracle	0.00	0.0	30	90	85
80.00	75.00	Amazon.com	0.00	0.0	40	80	75
70.00	65.00	Yahoo	0.00	0.0	50	70	65

12 Month High	12 Month Low	Stock	Div	Yld	PE	52	52
						Week	Week
50.00	45.00	Google	0.00	0.0	60	50	45
40.00	35.00	Facebook	0.00	0.0	70	40	35
30.00	25.00	Twitter	0.00	0.0	80	30	25
20.00	15.00	LinkedIn	0.00	0.0	90	20	15
10.00	5.00	Dropbox	0.00	0.0	100	10	5

12 Month High	12 Month Low	Stock	Div	Yld	PE	52	52
						Week	Week
15.00	10.00	Netflix	0.00	0.0	110	15	10
10.00	5.00	Spotify	0.00	0.0	120	10	5
5.00	2.00	SoundCloud	0.00	0.0	130	5	2
3.00	1.00	Bandcamp	0.00	0.0	140	3	1
2.00	0.50	Pandora	0.00	0.0	150	2	0.5

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# AMEX

Friday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High	Low	Stock	Div	Yld	PE	52	52
						Week	Week
50.00	45.00	IBM Corp	3.00	2.8	15	50	45
40.00	35.00	Microsoft	0.00	0.0	25	40	35
30.00	25.00	Oracle	0.00	0.0	30	30	25
20.00	15.00	Amazon.com	0.00	0.0	40	20	15
10.00	5.00	Yahoo	0.00	0.0	50	10	5

High	Low	Stock	Div	Yld	PE	52	52
						Week	Week
10.00	5.00	Google	0.00	0.0	60	10	5
5.00	2.00	Facebook	0.00	0.0	70	5	2
3.00	1.00	Twitter	0.00	0.0	80	3	1
2.00	0.50	LinkedIn	0.00	0.0	90	2	0.5
1.00	0.25	Dropbox	0.00	0.0	100	1	0.25

High	Low	Stock	Div	Yld	PE	52	52
						Week	Week
5.00	2.00	Netflix	0.00	0.0	110	5	2
3.00	1.00	Spotify	0.00	0.0	120	3	1
2.00	0.50	SoundCloud	0.00	0.0	130	2	0.5
1.00	0.25	Bandcamp	0.00	0.0	140	1	0.25
0.50	0.125	Pandora	0.00	0.0	150	0.5	0.125

High	Low	Stock	Div	Yld	PE	52	52
						Week	Week
15.00	10.00	IBM Corp	3.00	2.8	15	15	10
10.00	5.00	Microsoft	0.00	0.0	25	10	5
5.00	2.00	Oracle	0.00	0.0	30	5	2
3.00	1.00	Amazon.com	0.00	0.0	40	3	1
2.00	0.50	Yahoo	0.00	0.0	50	2	0.5

High	Low	Stock	Div	Yld	PE	52	52
						Week	Week
10.00	5.00	Google	0.00	0.0	60	10	5
5.00	2.00	Facebook	0.00	0.0	70	5	2
3.00	1.00	Twitter	0.00	0.0	80	3	1
2.00	0.50	LinkedIn	0.00	0.0	90	2	0.5
1.00	0.25	Dropbox	0.00	0.0	100	1	0.25

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3.00	1.00	Twitter	0.00	0.0	80	3	1
2.00	0.50	LinkedIn	0.00	0.0	90	2	0.5
1.00	0.25	Dropbox	0.00	0.0	100	1	0.25

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2.00	0.50	SoundCloud	0.00	0.0	130	2	0.5
1.00	0.25	Bandcamp	0.00	0.0	140	1	0.25
0.50	0.125	Pandora	0.00	0.0	150	0.5	0.125

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5.00	2.00	Oracle	0.00	0.0	30	5	2
3.00	1.00	Amazon.com	0.00	0.0	40	3	1
2.00	0.50	Yahoo	0.00	0.0	50	2	0.5

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2.00	0.50	LinkedIn	0.00	0.0	90	2	0.5
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High	Low	Stock	Div	Yld	PE	52	52
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3.00	1.00	Spotify	0.00	0.0	120	3	1
2.00	0.50	SoundCloud	0.00	0.0	130	2	0.5
1.00	0.25	Bandcamp	0.00	0.0	140	1	0.25
0.50	0.125	Pandora	0.00	0.0	150	0.5	0.125

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# What Price a Thai Worker? Little Help in Store for Survivors of Factory Blaze

BANGKOK — Somchai Puangsoorn is one fortunate young soul.

During the blaze that consumed a Thai doll factory outside Bangkok on May 10, the 19-year-old leaped from the fourth floor of the building just minutes before the entire structure collapsed. He survived, but only after shattering his hip, fracturing his jaw and suffering multiple lacerations.

Yet as Mr. Somchai and 500-odd injured survivors of the century's worst factory fire try to put the awful episode behind them, they are finding little in the way of financial help from their employer, Kader Industrial (Thailand) Co.

"I would never work for this company again," said Mr. Somchai, who has received a one-time payment of 4,000 baht, or \$200, for his troubles. "Now, I see how little they cared about us and how little we are worth," he added from his hospital room in Nakorn Pathom outside of Bangkok.

Kader officials in Bangkok and Hong Kong did not return numerous phone calls seeking their comment.

Survivors of the factory calamity will not be able to count on much more financial help from the company or the government as they seek to put their lives back together.

Thailand has a deserved reputation as one of the Asia-Pacific region's emerging economic dragons. Its gross national product rose by more than 10 percent a year in the late 1980s and growth should hit about 8 percent this year. Foreigners invested \$2.5 billion in Thailand in 1992.

But when it comes to workplace safety, Thailand is still firmly rooted in the Third World. Thai policymakers, under pressure to attract foreign investment, have avoided laws that would tie its businesses down with regulations.

As Thailand pulls itself out of poverty, it has little time for luxuries such as labor safety standards, strict building codes and workers' compensation.

While the surviving relatives of an average U.S. factory worker would receive about \$700,000 in worker compensation, in Thailand such a payout is unheard of.

In addition to the \$200 Kader will provide to the victims, the Thai government will kick in up to \$1,200 from a worker-compensation system launched in 1974. For the seriously injured factory workers, most of whom are uneducated, this will meet only a fraction of their medical and rehabilitation costs.

Kader is also providing about \$800 to the relatives of those who perished in the fire. Thai strikes seem as woefully inadequate. Prachub Yuinsawan, 37, a seamstress at the factory who broke her spine after tumbling from a third-story window when the

**'Now, I see how little they cared about us and how little we are worth.'**

Somchai Puangsoorn, an injured employee of Kader Industrial

building crumbled, said the payout doesn't cut it. "The money the company offered is just a token, so small," she said.

What is more, although Ms. Prachub and a handful of other victims plan to sue, experts give them little chance of winning any big settlement from Kader, thanks to the absence of a legal tradition championing worker's rights here.

"It will be unlikely they get much more, if anything," said Surayong Tungswan, a labor expert for the law firm of Baker & McKenzie.

The Kader factory had little in the way of fire exits and safety equipment. Also, the high death toll from the mishap owes much to a company policy of requiring security guards to lock employees inside the factory to prevent pilfering.

Just Thursday, Thai police arrested two of

Kader's deputy managing directors for violations of building and labor codes. And a factory worker was arrested for allegedly igniting the blaze by failing to put out his cigarette.

Should the factory workers seek compensation through the courts, they face complicated, expensive legal battles. That is because Kader is owned by investors spread across China, Hong Kong, Taiwan and Thailand.

On Wednesday, a consortium of Chinese-linked companies bought a 74 percent stake in Hong Kong-based Kader Investment, part owner of the Thai factory.

Kader Investment is linked to Kader Holdings of Hong Kong, which is controlled by Kenneth and Dennis Ting, whose toy empire is best known for Cabbage Patch Dolls.

The Kader companies shared ownership of the doll factory with Taiwan investors and Thailand's Charoen Pokphong Group.

Had this tragedy occurred in the West, the outlook for the victims would be far different.

The family of a U.S. factory worker in his 30s, earning a salary of \$30,000 to \$35,000, who died on the job would stand to get about \$700,000, according to Robert Calica, a personal injury lawyer with Reisman, Perez, Reisman & Calica in Garden City, New York.

Under that formula for compensation, a victim of the Kader Industrial fire in his 30s, who was paid about \$4 a day, should be entitled to roughly \$65,000. The companies with the \$800 Kader Industrial is offering the family of each victim.

And so far, at least, Kader has only committed to paying a total \$250,000 in compensation to the dead and injured from the factory fire.

"That's ridiculous," said Alan Stapey, a partner with Harry Lipzig & Partners, a New York personal-injury law firm. "In the United States, you're talking about hundreds of thousands, or millions of dollars, depending on the age and salary of the victim."

Making matters worse is the fact that Kader did not carry any insurance on its factory lands, most of them young working women.

# China Surprises Hong Kong by Clearing TV Deal

HONG KONG — China's unexpected blessing for a 12-year television franchise to Wharf Cable caught markets by surprise Friday. But no one was more surprised than the cable company itself.

Under Chinese-British agreements covering Hong Kong's reversion to Chinese sovereignty in 1997, new contracts extending beyond that date require Chinese approval.

The endorsement also took the stock market by surprise. Hong Kong stocks hit record highs on Friday after Beijing endorsed the cable deal plus two other business contracts valid after 1997. The blue-chip Hong Kong index rose more than 100 points after the opening as investors expressed relief about a partial solution to the contracts issue. Profit-takers then moved in, but the index closed with a 51-point gain, at 7,169.96.

In addition to the cable project, China also approved a 15-year extension to a license for the local utility, Hongkong Electric Holdings Ltd., which expires at the end of 1993, and gave the go-ahead for a landfill project.

The Hong Kong government gave the cable company the green light to provide television for Hong Kong's 6 million residents in December. Wharf has been gunning its engines waiting for Beijing to follow suit.

"This came totally out of the blue, but obviously we're happy about it," said Gilda Chung, project coordination manager at Wharf Cable. "We started placing orders in December when the Hong Kong government said yes. Now we can push ahead even further."

Wharf has secured 300,000 square feet (28,000 square meters) of office space and is in the final stages of pulling together its programming.

By October, Wharf hopes to offer a basic package to Hong Kong cable viewers with 24-hour programming on eight different channels, seven of which are likely to be entirely in Cantonese.

"The mix of Cantonese and English has worked really well for radio in Hong Kong. I don't see why it shouldn't apply to television," said Louis Cheng, associate media director at Borzell Ltd., an advertising agency in Hong Kong. "The market exists here for cable, it just will need a couple of years to establish itself."

Hong Kong currently only has four television channels — two in English and two in Cantonese. The company hopes to be in 90 percent of the territory's homes by early 1996.

Wharf Cable will be the sole cable-television supplier to the market. It will have to set up the entire infrastructure for the system, and hopes to have 500,000 homes wired by the end of the year.

"There's a lot of air time to fill," said an executive from another local television company who did not want to be further identified. "They need at least eight hours of original programming every day, seven days a week, and they are drawing from a limited talent pool. Where can they go besides Hong Kong?"

Solving that problem could make or break Wharf Cable, analysts said. The company plans to invest 2 billion Hong Kong dollars (\$256 million) of its 5 billion dollars in start-up capital on programming over the next three years, it said.

"We've got a team that attended Cannes and we're scouring from all the major stations around the region," said Laurie Ho, community relations manager at Wharf Cable. "There are some great programs in Korea," added Ms. Ho.

Korean and other foreign language programs can be dubbed into Cantonese or English, or they can be left in their original language for limited circulation in polyglot Hong Kong, she said.

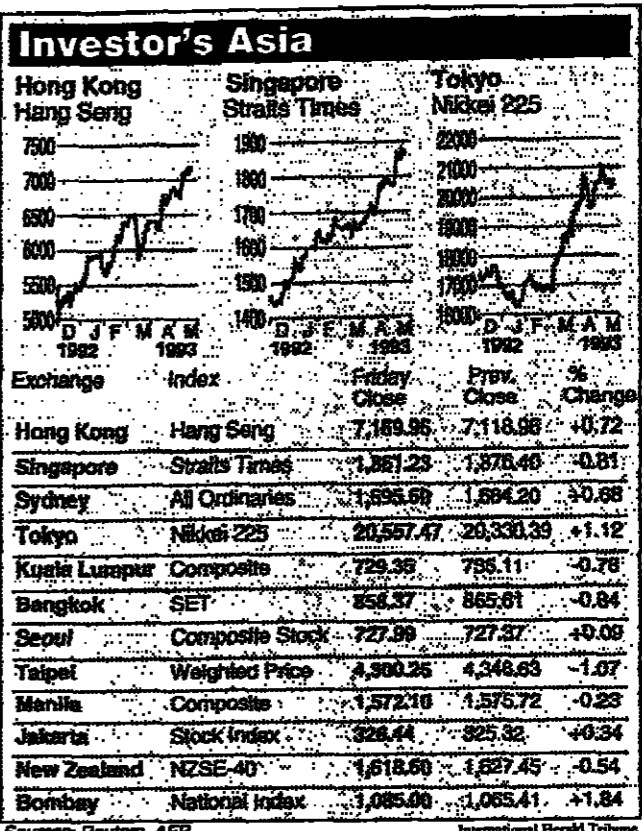
Wharf will tap major programming giants around the globe including Fox TV and Turner Broadcasting in the United States, PBS in Japan and Singapore's SDC, she said. Southeast Asian programming will be a particular focus.

The new Wharf system will try to tailor its programming in Hong Kong to the cultural and ethnic mix in the territory. There will be Korean shows in their original language and others targeting Filipinos that will air in Tagalog.

By the time the network begins broadcasting in October, it will have six months of programming in the vault, Ms. Ho said. The service will probably cost subscribers about 200 dollars a month.

Star TV, a subsidiary of Hutchison Whampoa, pioneered satellite television in the territory when it launched five channels in December 1991.

(Bloomberg, Reuters)



### Very briefly:

- Shenzhen, China's special economic zone next to Hong Kong, had an inflation rate of 16.6 percent in the first four months of 1993, its highest level in four years, the daily Wen Wei Po reported.
- Hong Kong's inflation fell to 7.7 percent in the year ended in April, its lowest level since 1988, the Census and Statistics Department said.
- Nippon Telegraph & Telephone said it had applied for government permission to raise its tariffs for the first time in 17 years.
- Taiwan said its economy was now expected to grow 6.33 percent in 1993, down from an earlier forecast of 6.60 percent.
- Hyundai Motor Co. said it would invest 90 billion won (\$112.2 million) to make lighter and more energy-efficient cars.
- Taiwan will launch its first national unemployment insurance system Sept. 1, paying unemployed workers for six months while they search for jobs. To be eligible, an applicant must be the only person supporting a family and have received no pension or severance payment.
- Fujitsu Ltd., Japan's top computer maker, said it had licensed special software from Hewlett-Packard Co. that would allow users to design programs on Fujitsu computers.

### Spider-Man Is Going East

TAIPEI — Marvel Entertainment Group Inc. is teaming up with a Taiwan company to launch Chinese-language comic books featuring Spider-Man, Marvel said Friday.

Jon Lang, executive vice president of Marvel, said the company also planned to expand its business to mainland China next year.

Marvel Entertainment, a leading publisher of comic books, is controlled by MacAndrews & Forbes Holdings Inc., a vehicle of the New York financier Ronald O. Perleman.

Under the agreement, Wang Film Production, Taiwan's largest cartoon production company, will publish, sell and promote Marvel's products, including over 3,000 characters.

James Wang, president of Wang Film, attributed the partnership partly to the government's recent efforts to protect intellectual-property rights. Under U.S. pressure, Taiwan has revised laws and intensified crackdown on pirated books and films.

## Nintendo's Growth Lags Behind Sega's

TOKYO — The Japanese videogame giant Nintendo Co. is lagging behind the rise of Sega in the battle of the screens, figures from Nintendo showed on Friday.

Nintendo reported that group earnings before tax rose by a meager 2.8 percent from a year earlier, to 166 billion yen (\$1.4 billion), in the year to March 31.

The Kyoto-based company reported a 13 percent increase in worldwide sales, to 635 billion yen.

Nintendo's modest performance was in contrast to that of its smaller rival, Sega Enterprises Ltd., which on Wednesday announced a 59 percent surge in group earnings to 37.4 billion yen on sales of 416 billion yen, up by 68 percent.

Sega also offered a stronger outlook for the current year, forecasting a pretax profit of 65.5 billion yen on sales of 480 billion yen.

Analysts say the rate of profit increase by Sega was much higher because Sega has stronger marketing clout in 16-bit game machines in the United States and Europe.

Sega put the high-powered machines on the market about two years ago, one year earlier than Nintendo, according to Katsuhiko Sugiyama, analyst at Lehman Brothers.

Meantime, another big Japanese maker of consumer electronics, Pioneer Electronic Corp., reported on Friday that its group pretax profit had plunged by 51.5 percent to 28.5 billion yen in the year to March. The audio-equipment maker and laser-disk specialist said

earnings were eroded by declining sales, the rising yen and higher operating costs.

Nintendo, the world's biggest videogame manufacturer, said it faced a "difficult operating environment" this year given the stagnant European economy and expectations of an even stronger yen.

Last year, Nintendo said a continuous flow of new software titles that strengthened sales of its Super NES machine had boosted net sales.

It said sales were also improved by expansion into Europe, as it set up subsidiaries in France, England, the Netherlands and Belgium, and by a string of million-selling software titles including "Mario Kart," "Mario Paint" and "Star Fox."

At Pioneer, group net profit, down 62.1 percent at \$10.8 billion, was depressed by a taxable provision on investment losses in Carolco Pictures Inc.

Revenue fell 3.8 percent during the year to 590 billion yen, depressed by a sharp contraction in domestic sales, which tumbled 11.9 percent to 224 billion yen.

(AFP, Bloomberg, AP)

## Vietnam to Admit U.S. Firms

HANOI — Several big U.S. companies — Citicorp, General Electric Co., the tobacco giant Philip Morris Cos., International Business Machines Corp. and the law firm Baker Mackenzie — will soon receive licenses to open offices in Vietnam, government officials said Friday.

Their applications are part of a growing wave of U.S. business interest in Vietnam despite a U.S. government economic embargo.

The officials also confirmed a report in the Vietnam Investment Review, a business weekly, that the U.S. engineering-equipment firm Caterpillar Inc. had been granted a license to open an office in Hanoi.

Citicorp, the Citicorp unit, will be the second U.S. bank authorized to open a representative office, following Bank of America. They join about 20 foreign banks represented in Hanoi or Ho Chi Minh City.

Vietnam, seeking to adapt its communist economy to market principles, has welcomed U.S. firms despite the embargo.

Mr. Clinton has stuck to Washington's insistence on maximum Vietnamese cooperation in helping it close the files on more than 2,000 U.S. servicemen listed as unaccounted for from the Vietnam war as a condition for scrapping sanctions.

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MAASRIJ  
COMMUNITY CHURCH...  
MUNICH  
INTERNATIONAL COMMUNITY CHURCH...  
MONTE CARLO  
INT'L FELLOWSHIP...  
PARIS and SUBURBS  
THE AMERICAN CATHEDRAL...  
HOPE INTERNATIONAL CHURCH...  
SAINT JOSEPH'S CHURCH...  
UNITARIAN-UNIVERSALIST...  
TOKYO  
ST. PAUL INTERNATIONAL LUTHERAN...  
EUROPEAN BAPTIST CONVENTION...  
BARCELONA
- BERLIN**  
INTERNATIONAL BAPTIST CHURCH...  
BOHN/KÖPFLIN  
THE INTERNATIONAL BAPTIST CHURCH...  
BREMEN  
INTERNATIONAL BAPTIST CHURCH...  
BUDAPEST  
INTERNATIONAL BAPTIST CHURCH...  
BUCHAREST  
INTERNATIONAL BAPTIST CHURCH...  
BULGARIA  
INTERNATIONAL BAPTIST CHURCH...  
CELE/HANNOVER  
INTERNATIONAL BAPTIST CHURCH...  
DARMSTADT  
DARMSTADT/BERGSTRASSE BAPTIST...  
DÜSSELDORF  
INTERNATIONAL BAPTIST CHURCH...  
FRANKFURT  
INTERNATIONAL CHRISTIAN FELLOWSHIP...  
FRANKFURT  
UNITARIAN-UNIVERSALIST...  
GIESSEN  
LONDON  
NETHERLANDS
- HOLLAND**  
TRINITY BAPTIST S.S. 820...  
KRAKOW  
INTERNATIONAL BAPTIST FELLOWSHIP...  
MUNICH  
INTERNATIONAL BAPTIST CHURCH...  
PARIS and SUBURBS  
EMMANUEL BAPTIST CHURCH...  
PRAGUE  
INTERNATIONAL BAPTIST FELLOWSHIP...  
WUPPERTAL  
International Baptist Church...  
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# THE MONEY REPORT

## FIRST COLUMN

### War Apart, EC Fails at Easy Things

**T**O criticize Europe, specifically the European Community, for its lack of unity, purpose and cohesion in responding to the appalling events in Bosnia and the other semi-nation states that exist where Yugoslavia used to be is fashionable, but unfair.

But where the Community can justify being criticized is in its failure to get the easy things right. Compared to mobilizing an army, sorting out a pan-European market in such mundane matters as pensions, bank accounts, insurance and mutual funds really ought to be child's play. Unfortunately, not all children can solve even elementary puzzles.

Citizens of Asian nationality (and, to a lesser extent, U.S. nationals) often find themselves better served by the brave new pan-European market of 1993 than European nationals living outside their EC homeland.

Americans, for example, benefit from an extremely limited treaty of reciprocity with France concerning pension and other rights. Whereas Europeans employed in France find themselves with pension rights that are virtually useless to them outside that country. Similar stories occur in Germany, unarguably Europe's most over-protected insurance market.

So let's tone down the calls of shame for the inadequate, but understandable, response to the EC's Balkan problem. Where Europe is really failing is in getting the easy things right.

## Japan's Stock Market Settles Down

By Rupert Bruce

**J**APAN'S stock market has probably made more fortunes only to burn more fingers than almost any other during the past decade. Its Nikkei 225 average rose fivefold between 1980 and its peak in 1989, only to lose more than half its value by its nadir in August 1992. But this year, currently trading around the 20,300 level, the market has rallied strongly, prompting nervous investors to ask themselves: Has this dangerous bear market really ended?

The investment bank Morgan Stanley thinks so. It says the Nikkei should reach a maximum of 25,000 in the medium term. Last week it briefly breached 21,000 for the first time in more than a year.

David Roche, global strategist, also says in the latest note on Japan: "The profile of the Japanese equity market has changed from that of high-risk, post-bubble bomb shelter to one where globally competitive blue chip equities abound at reasonable value. On a risk-adjusted basis, Japan is at or near par with either the U.S. or Europe."

But many Western investors are still confused by what has always confused them. At first glance, share prices seem very expensive. The Nikkei is up almost 30 percent from this year's lows and the market's prospective price-earnings ratio for 1993 — the standard measure of value — is up to more than 80, according to Morgan Stanley's research estimates. That is a lot considering that many crystal ball-gazing analysts don't see any significant recovery in corporate Japan until mid-1994.

Simon Fraser, a London-based director of Fidelity Investment Services with responsibility for managing a number of Japan funds, who also forecasts a level of 28,000 for the Nikkei said: "The skeptics will argue that this move is not justified, it is just window-dressing because of weight of money and it is not justified by fundamentals. I would argue

that the market is probably telling us something about what is going to happen to the fundamentals, but it is just so far out that we can't see it. In other words it is probably discounting a big recovery in earnings which might not occur until 1994."

According to brokers and investment managers this rally has been, and should continue to be, largely driven by domestic money being invested in the market. Japanese domestic investors are earning no more than 3.5 percent after taxes from deposit accounts and so, providing the stock market does not fall, they have little to lose and everything to gain from buying shares.

American investors, too, may feel they have little to lose. They are reputed to have been buying heavily in the recent rally. Mr. Fraser said they have been running out of alternatives with U.S. stocks thought to be fully valued and the Asian Tiger markets having had a strong run.

In addition, the Japanese government is reported to have directed late last year that a big chunk of public-sector investment money be used to buy the market.

Morgan Stanley believes that the key is a continuing decline in local interest rates. Alexander Kimmont, a Japan analyst, said: "Things are going to be dominated very much in the short run by short-term interest rates."

"The house view," he added, "is that we will get downward movement on interest rates. It may or may not include a formal cut in the official discount rate. The market has in the past shown itself to be pretty sensitive at times like these to a decline in short-term rates relative to dividend yields and if they go further I think we could find the market going up."

But a glance at price-earnings ratios suggests that the market is extremely high by Western standards. The chief 1980s justification for this was there was a price to pay for the dynamism of corporate Japan and the potential stock market rewards. Today,

prospects are less heady, but so too are share prices.

Mr. Fraser concedes that the market looks expensive if one looks at price-earnings ratios, but says if other less common, and perhaps more revealing, indicators are used it looks cheap.

"Interestingly, one of the reasons that American investors are buying Japanese stocks is that on a cash-flow analysis basis and on a price-to-book-value basis they are finding companies that are cheaper than similar companies in America. And it is not just the small, quirky companies, it is things like Sony, Hitachi, Toshiba, and Toyota they think are actually very cheap in relation to their cash flow and also their previous peak earnings," he said.

Mr. Kimmont says that the rarity of new companies coming to the market and corporate modesty help to explain why Japan has always seemed expensive.

"My view is that the answer ultimately lies in the fact that Japan has been extremely poor at providing us with big new companies to invest in whereas in America there is a constant flow, with perhaps 150 new companies coming to Nasdaq every year."

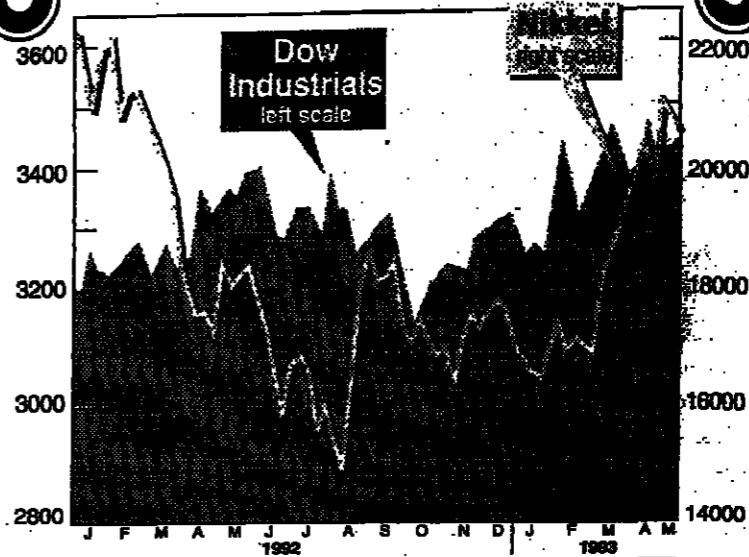
"In Japan, for instance, you buy Hitachi for one division one year and the next you buy it for a different division. It is sort of two steps forward and one step back. I think that is one of the underlying reasons why the market has tended to go up."

"The other thing is of course that businesses are not necessarily managed for shareholders or profits made visible to shareholders."

But, notwithstanding the short-term bullishness, there is a school of thought that believes in the long-term Japan will never return to the economic growth rates and market returns of the 1980s. Among the common reasons given are: An aging population, a long-term trend toward higher interest rates, and the movement of manufacturing offshore to low labor-cost countries.

### Beating Back the Bears

The Tokyo Stock Exchange compared with New York blue chips.



#### Best performing Mutual Funds Investing into Japan

Over 1 year to May 17, 1993		Over 5 years to May 17, 1993	
Fund	Performance	Fund	Performance
JF Japan OTC	187.85	Morgan Grenfell Japan Small Cos	323.39
KB Japanese Warrant	185.20	Royal Life/Hand Japan Sm Co	213.94
Prudential Japanese	187.01	JF Pac Warrant Prof Shares (m)	203.82
Investco Mm PG Nippon Eptm	185.38	GAM Japan	203.07
JF Ninja	182.78	Handison HF Japanese Sm Co	197.27
PM Japan Growth	181.70	Schroder Japanese Sm Co	193.77
Carlson Japan	181.12	Dunedin Japan Smaller Cos	181.37
Dunedin Japan Growth	159.92	Firststar Japan Smaller Cos Lfs	172.77
Allied Dunbar Japan	158.28	Mercury ST Yen Global Bond	157.49
Fidelity Fds Japan Smaller Co	156.92	Bond Valor Yen	153.85

Value of \$100 income reinvested, excluding charges.

Source: Micropal

International Herald Tribune

Mr. Fraser said: "I think this whole period of great volatility in Japan will be seen as a period when the growth pattern of Japan changed from a really fast growth economy to a more mature cyclical economy."

"I think within the stock market that will be really significant because the bigger companies will probably have to be revalued

because their growth rates will be much slower. I think that the big companies like Sony, Hitachi and Toyota will probably not do much in stock market terms within the next few years."

"But I think some of the smaller companies will do extremely well particularly in the service related industries."

# THE CENTRAL SOURCE ON FUND INVESTMENT

April - June  
Spring 1993  
Volume 2, Number 1  
A Quarterly Publication

## INTERNATIONAL FUND INVESTMENT



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Changing Times in France: New Managers, New Funds? The Ethical Industry  
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## BRIEFCASE

### When Purchasing Stocks, Wait Until Folks Are the Grumpiest

The lack of consumer confidence, recently reported at 62.6 percent, should inspire confidence in the stock market, says Ned Davis Research. During the seven occasions since 1969 in which the Conference Board's Consumer Confidence Index has dipped below 66 percent, the Dow Jones industrial average has risen at an annual rate of 30 percent, the Davis group notes. The annualized gains have been even greater by other measures, including a 45 percent increase in the Dow transportation average and a 97 percent rise in Standard & Poor's low-priced stock index.

The data fit the widely held contrarian theory of market analysis, which holds that the time to buy shares is when the public is in a miserable mood. At times like those, the reasoning goes, people are more likely to have sold their holdings in the belief that things can only get worse. After the sellers are out, the market has nowhere to go but up.

The obverse of that, of course, is that when the public is feeling fine, it's best to think about selling. The Davis data seem to confirm this: During those periods when consumer confidence is above 66 percent, shares have risen by less than 5 percent a year.

### Try to Negotiate Yourself Into an Adviser's Discount

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The company is offering a 1 percent rebate against its front-end charges until the end of the month. The catch is that the rebate is only available to independent financial advisers. So the individual investor is at the mercy of the adviser, who may or may not pass on the discount.

That, at least, is the theory. In practice, although the industry as a whole loves to deny it, a determined individual investor can often secure a discount against front-end charges (the usual charge in the U.K. is just over 5 percent — a high figure in by international standards).

The company's six funds have a better than average track record, and the company manages some \$6 billion (\$9 billion).

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THE MONEY REPORT

Fancy a Financial Roller Coaster? Derivatives Trading May Be for You

By Martin Baker

THE world at large has yet to figure out investing in derivatives. It is an industry more than 100 years old, yet it can still make the brash noises of youth.

what does investment really cost? The first question is easy to answer, at least superficially. Derivatives is the generic term for such financial instruments as options, warrants and futures, whose value fluctuates according to the price movements of an underlying security or commodity.

More commonly, the right is sold back into the options market at a profit. Apart from the time over which an option is exercisable, and the underlying price of the asset, another factor that affects the price of options contracts is the volatility of the market.

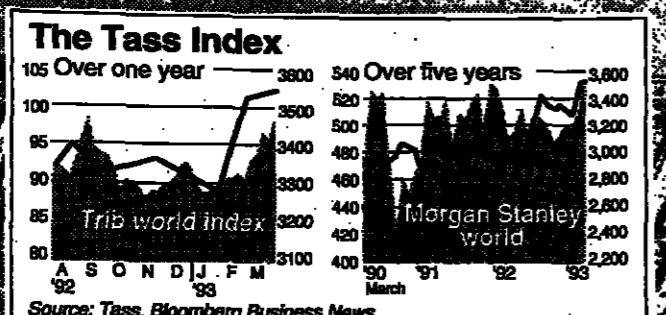
That's the reason why, when you get it right, the profits can be enormous. Mr. Hazley adds that some managers buy "out-of-the-money" options. Generally speaking, these are contracts with a low purchase price, since what is acquired is the right to buy or sell at a price far removed from actual market values.

control risk adds significantly to their performance returns. Others argue that it all depends on the type of fund in which you invest. "How risky is a derivatives fund investment? How long is a piece of string?" asks Nicola Meaden, of the London-based investment information and monitoring firm Tass Management Ltd.

particularly reckless manager might invest all the money in a fund in one option that might expire and become worthless. In that case, investors would be completely wiped out, but they would also probably be able to sue on grounds of professional negligence.

Gaiacorp is among the firms with the lowest level of entry. "Investors should expect to invest at least \$25,000. And that should be no more than 10 percent of a broad portfolio of shares and bonds," said Keith Hazley.

break even unless the manager achieves 14 to 15 percent profit. Against that, there are others where a 3 to 5 percent gain will be sufficient for the investor to break even.



Source: Tass, Bloomberg Business News

Table titled 'Derivative Funds, An Original Idea?' showing performance of various funds over one, three, and five years. Columns include Fund Name, Performance, and Source.

A Look at Buyers' Psychology Bulls and Bears Get Rich; the Goofy Don't

By Kate Bales

ALL market psychology, call it inbred idiosyncrasy, but it seems that many investors don't always recognize when they win and when they lose. Consider the following: You purchased a stock at \$10. Over the months you watch it rise to \$12, then \$14, then \$18, then \$20. As the months go on, the stock drops down to \$18, then \$17 and then \$15. Have you lost money?

Shiller, entitled "Fashions, Fads, and Bubbles in Financial Markets" which examined the motivation behind investor decisions, similar ground is covered. In each case, the story is one of investors' folly as they not only refused to sell, but they plowed money into already overpriced assets.

of it provides for a cognitive-emotional-muscular arousal of the individual. Be that as it may, both the gambler and the trend follower clearly need a lot of luck to come out on top. So far the story for the individual investor is depressing: It is true that individuals do tend to follow trends and buy at the top (the number of individual investors in the market is a leading indicator for some financial analysts).

What attracts many investors to the derivatives scene is the limited nature of the risk. Mr. St. Aldwyn contends that the funds' ability to control risk adds significantly to their performance returns. Others argue that it all depends on the type of fund in which you invest.

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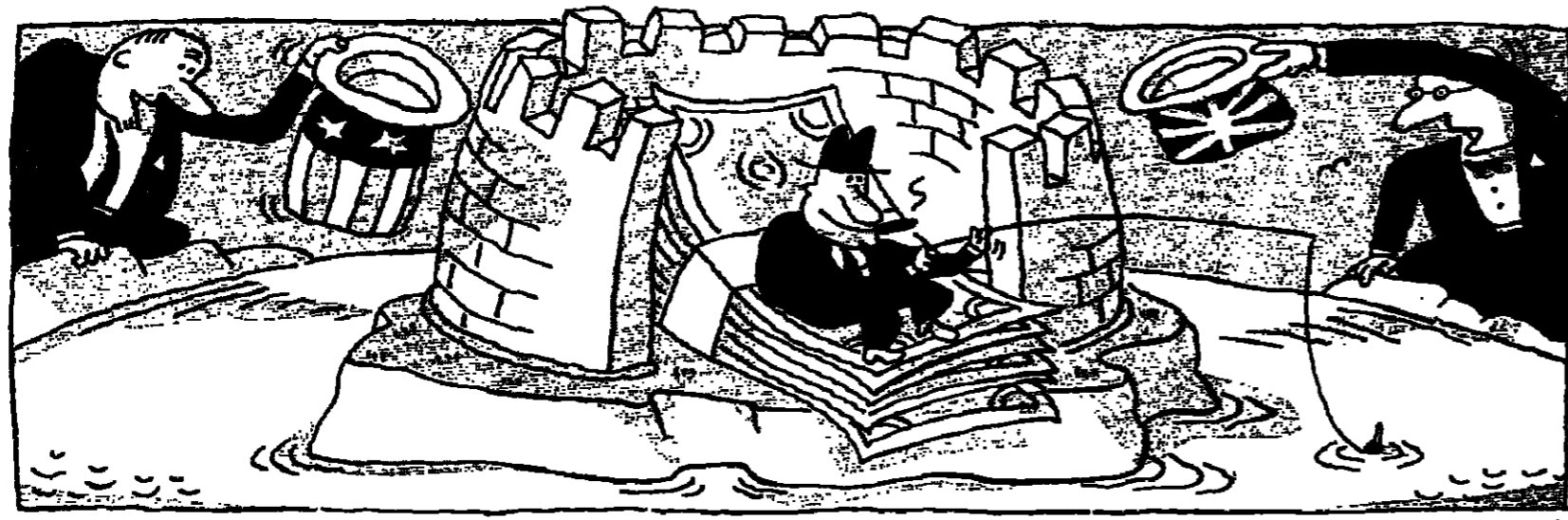
break even unless the manager achieves 14 to 15 percent profit. Against that, there are others where a 3 to 5 percent gain will be sufficient for the investor to break even.

Analysts' Estimates of United States Company Results. Table with columns: COMPANY, End of financial year, Earnings est. for '93, Last month's est., % change, Last month's closing price, Current price, % change, P/E (est.), No. of analysts' est. used.

Source: IBES Inc.

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THE MONEY REPORT



A Primer for Manx Residents It's Helpful if You Want to Die There

By Conrad de Aenlle

A VISITOR to the Isle of Man struck up a conversation with a Scotsman who was very well-to-do, judging by his car and his clothes. The visitor explained that he had come to research the island's financial service industry for a series of articles, and the Scotsman replied: "It's a bit like that for me, too. I'm here for the money."

The Manx Tax Man Speaks

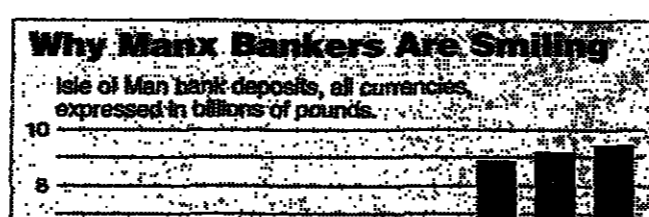
Income tax for the year April 6, 1992 to April 5, 1993

RATES OF INCOME TAX: Standard Rate: 10%. This rate is charged on the taxable income of individuals up to a total of £12,000. Single Person: the First £2,000. Married Person: the First £14,000. Higher Rate: 20%. This rate is charged on the taxable income of individuals exceeding the standard rate band and also on the whole of the taxable income of trusts and resident non-UK companies.

Tax Havens Haggle Over Depositor Protection

IT'S hard to imagine something that seems as innocuous as a bank deposit protection plan setting off a feud among regulators, a group not seen as especially hot-tempered. But some harsh words have been exchanged between officials on the Isle of Man, which offers such protection, and their arch-rivals in the Channel Islands, which do not.

European currency units that has been proposed in the European Community's draft Directive on Deposit Guarantees (£15,000 is about \$23,000 and 19,000 Ecus).



Roughly half of Man's 70,000 residents are foreigners, many of them working in the financial-services business. It's hard to know how many of the rest have settled on the island to safeguard their wealth.

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Officials on the Channel Island of Guernsey don't think much of deposit protection regimes. For one thing, they point out, widows and orphans are not the clientele that they — or the Isle of Man, for that matter — cater to.

home to a branch of the fraud-ridden Bank of Credit & Commerce International, which collapsed very publicly a couple of years ago. Thanks to the protection plan, bankers on the island are still paying for BCCI. By the time all the claims have been paid out, depositors are expected to have received more than £20 million.

Manx officials say their way of running the plan, with contributions made only when a bank goes down, is a cheaper way to go about it. They disagree with Mr. Roper's contention that depositor protection is already too expensive for the banks. In fact, there is very little in what Mr. Roper said that authorities on the Isle of Man would agree with.

THE FIRST IHT / IFI CONFERENCE ON GLOBAL FUND MANAGEMENT. Which way are the markets moving? THE EXPERTS FROM AROUND THE WORLD DEBATE THE TRENDS ON JUNE 9 & 10, 1993 AT HYATT CARLTON TOWER, LONDON.

The island of Jersey, for one, has been contemplating a plan of its own. "This matter is very much on the table, and we're looking to see what developments happen in the EC," said Richard Syvret, director of Jersey's Financial Services Department.

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Revenue authorities elsewhere tend to be more lenient. Once a citizen has moved on, they usually give up sending tax bills. The key is to convince them that the former resident has truly left.

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NYSE Friday's Closing. Various financial data and market information.

NYSE

Friday's Closing Tables include the nationwide price up to the closing on Wall Street and do not include late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, Ratio, High, Low, Last, Open, Close. Includes various stock listings.

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INTERNATIONAL FUNDS

Quotations supplied by funds. Most fund values are based on the previous business day's closing prices. The numerical symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (m) - monthly; (q) - quarterly based on issue prices.

Table with columns: Fund Name, Div, Yld, PE, Ratio, High, Low, Last, Open, Close. Includes various international fund listings.

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Table with columns: Fund Name, Div, Yld, PE, Ratio, High, Low, Last, Open, Close. Includes various fund listings.

NYSE High-Lows

Table with columns: Fund Name, Div, Yld, PE, Ratio, High, Low, Last, Open, Close. Includes various fund listings.

AMEX High-Lows

Table with columns: Fund Name, Div, Yld, PE, Ratio, High, Low, Last, Open, Close. Includes various fund listings.

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# SPORTS BASEBALL

## A's Strike Hard As Royals Squander Cone's 135 Pitches

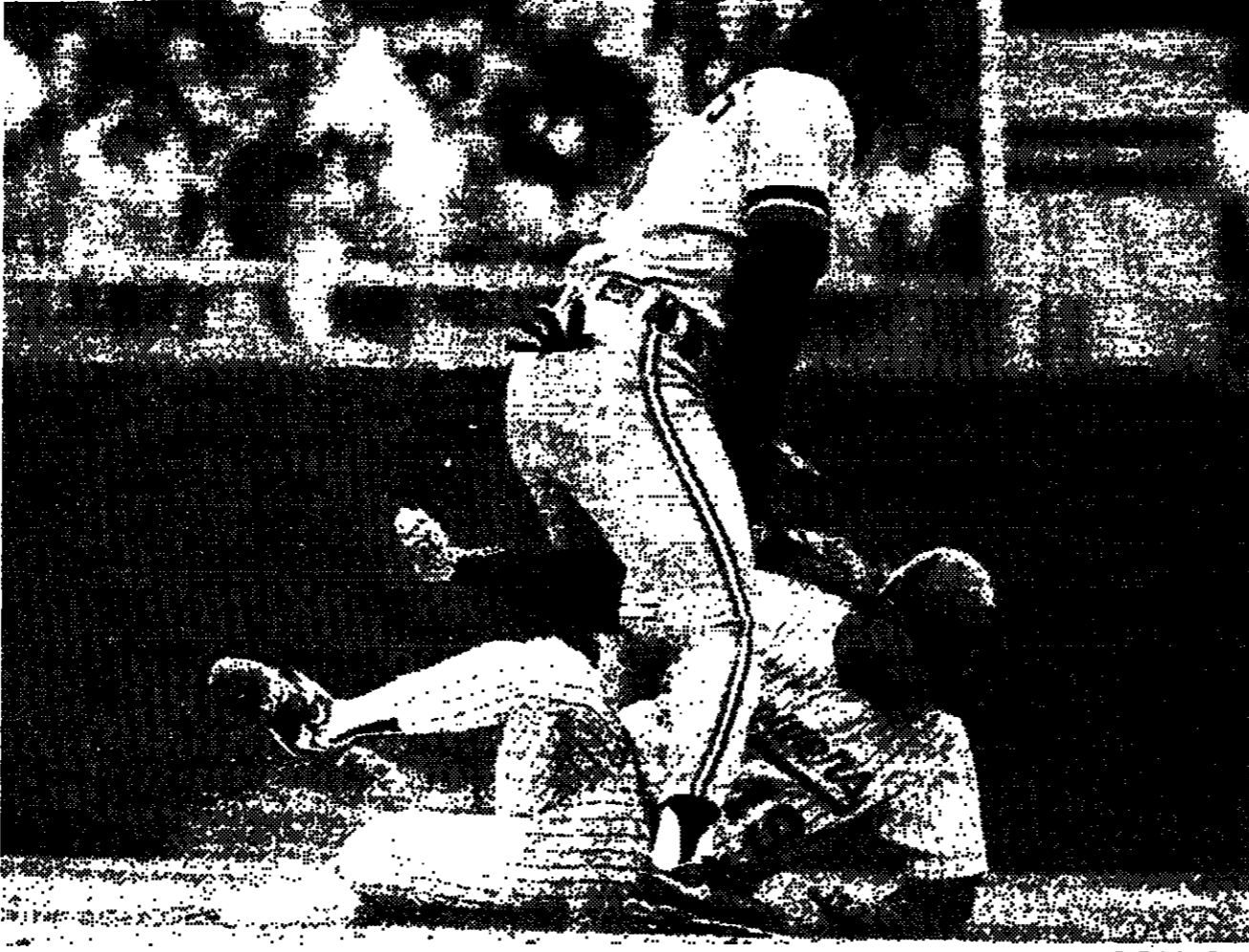
*The Associated Press*  
It happened last year to Nolan Ryan and Jim Abbott. It is happening this year to David Cone.  
"It's lack of run support, a team taking a collective day off at the plate when a certain pitcher is on the mound. And 'it' is running Cone's year."  
On Thursday night, Cone left after seven innings with a 1-0 lead. The Royals bullpen promptly blew

East lead over idle New York to 2½ games.  
Blue Jays 4, Red Sox 3: In Boston, the Blue Jays scored the winning run in the ninth off Paul Quantrill on two bunts, a single and a forceout.  
Joe Carter collected two more RBIs and moved into third place among AL hitters, with 37. Paul Molitor went 3-for-5 and raised his average to .331.

### AL ROUNDUP

the lead and Kansas City went on to lose, 4-1, in 12 innings to the visiting Oakland Athletics.  
The Royals have scored only 19 runs in Cone's nine starts, and the anemic support has left him with a 1-5 record despite his 3.02 ERA.  
"Cone pitched his tail off," said the Royals' manager, Hal McRae. "We didn't score enough runs. We didn't take advantage of several scoring situations."  
Same old story.  
Cone's bewilderment should sound familiar to Ryan and Abbott.

Mariners 7, Rangers 4: In Arlington, Texas, the Mariners appeared to have wrapped up the game with a six-run eighth-inning rally that put them ahead 7-2.  
The Rangers rallied in the ninth, though, and Gary Redus missed a game-winning pitch-hit grand slam by 10 feet (3 meters) when his long drive hooked foul. He struck out on a check swing four pitches later.  
Indians 3, Orioles 1: In Baltimore, Dennis Cook and two relievers combined on a three-hitter and Albert Belle had three hits.  
Jamie Moyer, making his first major league appearance since May 21, 1991, gave up two runs and 10 hits over 7½ innings in his Baltimore debut.



Robin Yount was safe at second, sliding under Tony Phillips's tag, but Detroit scored six runs in the eighth to win, 6-2, in Milwaukee.

## Incaviglia Clears Bases Early as Phils Stop Expos

*The Associated Press*  
Remember Pete Incaviglia, the guy who hit those long home runs? Well, he is doing just fine in his part-time job with the Philadelphia Phillies.  
"Everyone on this club knows his role," Incaviglia said Thursday

"I just stay prepared for when Jimmy calls on me," Incaviglia said.  
Incaviglia's fifth career grand slam came off Chris Nabholz, who left after just 1½ innings. Nabholz walked two and hit a batter before Incaviglia's second home run in two nights.  
"He hung one of those cutters, and I got it," Incaviglia said. "I guess tonight was my turn."  
Curt Schilling scattered seven hits, struck out five, walked two and retired the final 15 Expos in order. It was his third complete game this season and the Phillies' major-league-leading eighth.

### NL ROUNDUP

night after his first-inning grand slam led the Phillies over the visiting Montreal Expos, 9-3.  
Incaviglia, who has five home runs this season, drove in five runs as the NL East-leading Phillies increased their lead over the second-place Expos to 6½ games. He has the ninth-most at-bats on the team, but does not mind the way manager Jim Fregosi uses him.

McGriff hit a two-run homer in the 11th inning after Colorado, which lost for the 14th time in 16 games, had gone ahead in the top of the inning.  
Gary Sheffield opened the bottom of the 11th with a single off Darren Holmes and McGriff followed with his eighth homer this season.  
Visiting Colorado had taken a 4-3 lead in the top of the inning when Dante Bichette hit a two-out homer off Gene Harris.  
Cardinals 6, Cubs 3: Bob Tewksbury won his fourth consecutive

decision, and Geronimo Pena, batting .149 left-handed, hit a three-run double in St. Louis.  
Tewksbury, baseball's best control pitcher, struck out three and walked none in seven innings. He has walked only two batters in 53½ innings this season. Lee Smith pitched the ninth for the final out in the seventh.  
"If I have to walk somebody, I'll walk them, but I'm not going to try to give anybody a free pass when it's not appropriate," Tewksbury said. "They know I'm going to be around the plate and I don't get deep in the count."

Tewksbury was working on a two-hitter and had a 5-0 lead until the sixth, when Dwight Smith hit his fifth home run. Steve Buechele hit a two-run drive in the seventh, ending a 5-for-40 slump, his fourth home run this season, but Tewksbury retired Smith with runners on second and third for the final out in the seventh.  
"As far as I'm concerned, that was the ballgame," Tewksbury said.  
Jose Guzman gave up five runs and eight hits in 4½ innings.

## In 330 Minutes, a First for Arsenal

*Reuters*  
LONDON — The defender Andy Linighan, playing with a broken nose and finger after an aerial clash in the 18th minute, scored a dramatic winner one minute from the end of extra time to give Arsenal a 2-1 victory over Sheffield Wednesday in the English Football Association Cup final replay at Wembley.  
Linighan, injured when elbowed in the face by Mark Bright in an aerial challenge, headed home a Paul Merson corner from close in to beat England's national goalkeeper, Chris Woods, when the match looked as if it would be decided by a penalty shootout for the first time ever.  
The victory in the third finale at Wembley this season against Wednesday — after 330 minutes of soccer — gave Arsenal an unprecedented domestic cup double after its 2-1 League Cup triumph over Wednesday last month.

"All credit to Sheffield Wednesday," said Linighan. "We had to work really hard. I'm just happy to score the goal."  
The striker Ian Wright put Arsenal ahead in the 34th minute. Running on to a superbly placed pass from a fellow striker, Alan Smith, he left three Wednesday defenders stranded to go through and beat Woods.  
Chris Waddle, finding greater space on the left in the second half, hauled Wednesday back into the game with a fine equalizer in the 68th minute. His shot from the left after a right wing cross by John Harkes took a slight deflection from Lee Dixon and edged past the desperate dive of the goalkeeper, David Seaman.  
With a crowd of 62,000, there were 17,000 less at Wembley than for Saturday's final, which ended in a 1-1 draw after extra time.  
The finale to the English season almost went to penalties after a war of attrition between two sides exhausted by an overloaded calendar.  
There is a strong case for the Football Association — which introduced a postmatch penalty shootout last season after five replays since 1981 — to have the final itself settled with a shootout, dispensing with a second game.  
Sheffield Wednesday's Swedish right back, Roland Nilsson, had to play two matches in 24 hours after playing for his national squad in a World Cup qualifier in Stockholm on Wednesday night.  
England's manager, Graham Taylor, preparing his team for two vital World Cup qualifiers against Poland and Norway, will not have his full squad together until two days later than planned. Eight of his internationals were involved at Wembley.

## French Open Misses Man Who Made It Ex-Revolutionary and Bureaucrat, Chatrier Now Leaves Tennis Behind

*By Christopher Clarye*  
*International Herald Tribune*  
PARIS — They conducted the French Open draw at Roland Garros Stadium on Friday, and the usual crush of officials, journalists and glitterati turned out to watch the reigning Olympic 400-meter champion, Marie-José Pérec, pull players' names out of a silver bowl.  
But someone was missing, someone who had a lot to do with the scribbling pens, myriad cameras and general air of self-importance that enveloped the proceedings.  
Philippe Chatrier was born in 1928, the same year that this stadium was hastily constructed, and throughout the meandering course of his distinguished career in tennis, his passion for "Roland Garros" has remained a constant.  
"This place has been my life and my love," said Chatrier, who in February, declined to stand for reelection as president of the French Tennis Federation.

He first laid eyes on the stadium grounds when, at age 13, he was selected to play with his idol, René Lacoste, in a doubles exhibition. He went on to win the French junior title and play in the French Championships six times as an amateur.  
But he never advanced past the third round in his favorite tournament. He would have to wait to make his mark as an administrator. The opportunity came in 1968, the year of open revolt in the streets of Paris, and, at last, open tennis in Grand Slam stadiums.  
Chatrier had repeatedly used his position as owner and editor of the magazine Tennis de France to assail the French federation's insular, retrograde policies. In December 1968, he helped force a changing of the guard. Marcel Bernard, who won at Roland Garros in 1946, was elected president. Chatrier was named vice president and captain of the Davis Cup team.

Four years later, he succeeded Bernard as president, and, in 1977, he eagerly accepted a second title, becoming president of the International Tennis Federation. For the next 15 years, Chatrier was the game's most powerful bureaucrat.  
At the ITF, he oversaw the sport's global expansion, waged war against Lamar Hunt's competing WCT tour and successfully lobbied his friend Juan Antonio Sanchez for the reinstatement of tennis as an Olympic sport.  
In France, Chatrier created a regional and national structure for tennis and presided over its popularization. From 1972 to 1992, the number of registered players soared from 225,000 to 1.3 million and the number of courts from 6,700 to 35,000.  
"Tennis used to be a sport for the upper class in France and all over the world, and that has changed irrevocably," Chatrier said. "I am very proud of that."  
Chatrier is also proud of revitalizing the French Open, which in the early 1970s was competing with World Team Tennis in the United States and had fallen out of favor with everyone except groundstroke-loving, clay-court specialists. He achieved his aims with clever mar-

keting, which included a deal for nonstop French television coverage and a series of stadium expansions.  
The tournament also benefited from the demise of team tennis and the emergence of Bjorn Borg, a clay specialist who also won Wimbledon's grass five straight times and became a superstar.  
Chatrier is not particularly sanguine about the present and future of the sport to which he has devoted his life. He sees too much power in the men's game and not enough commitment to Davis Cup play from the top players.  
"But it's the money that worries me the most," he said. "The sheer weight of it is changing the game. Before there was a sense that tradi-

tion was important and of sport for sport's sake, but now it is just a sordid letting more and more money through."  
"The real champions still play for the titles," he added, "but the players of second rank are playing for dollars."  
Chatrier is not entirely blameless. As ITF president, he gave the green light to the Grand Slam Cup, the controversial year-end tournament that was launched in 1990 with a record \$6 million in prize money. Chatrier maintains that he backed the plan because the tournament would contribute \$2 million annually to tennis development in poorer nations and because the players had decided to break with the ITF and form their own ATP tour.  
"I accepted the idea dragging my feet because I thought there was a spirit of solidarity forming among the Grand Slams, but I guess I was a bit fooled," he said. "We were together more out of necessity than desire, and the way things are going, the money in Munich will be quite ordinary in three or four years. Imagine dealing with that."  
Chatrier no longer is required to do so before the December evening in 1991 when France reclaimed the Davis Cup after 59 years and fulfilled his lifelong dream, he had begun losing his drive. With the cup finally in hand, the process accelerated and his private life took on greater importance. Last year, he married for the second time and resumed drinking wine after a decade-long hiatus.  
He also purchased a vacation home in Brittany, where he spent Friday afternoon as his successor, Christian Bimès, 46, supervised his first French Open draw.

"I am not the kind of person to watch over the shoulder of my successor," said Chatrier. "He is young, very young, and that is his best asset. But this is not like '68. This is not a revolution."

## Sanders Reported to Accept Full-Season Braves Pact

*The Associated Press*  
ATLANTA — Deion Sanders, a two-sport star, and the Atlanta Braves have apparently agreed on a multiyear contract that would keep him with the Braves until the end of each season.  
The Braves' general manager, John Schuerholz, said Thursday that Sanders and the Braves had reached an "understanding" on a contract. Earlier this year, Sanders rejected an \$11 million, three-year offer, seeking about \$1 million more over three years plus an option for 1996.  
Sanders, who was placed on the disqualified list after failing to return to the Braves on April 29, a day after his father's funeral, is expected to return on Friday. He was reinstated Tuesday and joined minor-league workouts Wednesday at Atlanta's spring training camp in West Palm Beach, Florida.  
Sanders, who has not been paid while on the disqualified list, had his contract renewed by the Braves in March for \$1 million, but is not required to stay with the team past July 31 because of his commitment with the Atlanta Falcons of the National Football League, for whom he plays cornerback.

### DENNIS THE MENACE



"GIVE ME YOUR HORN, YOUR DRUM AND YOUR KAZOO. I'M EXPECTING A PHONE CALL."

### PEANUTS



### BLONDIE



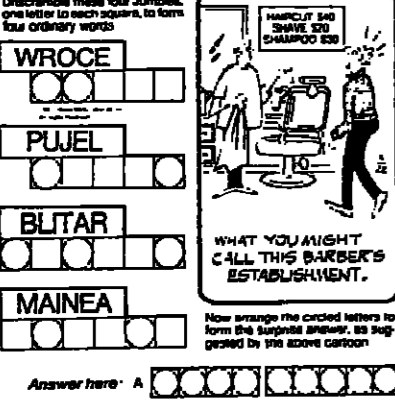
### CALVIN AND HOBBES



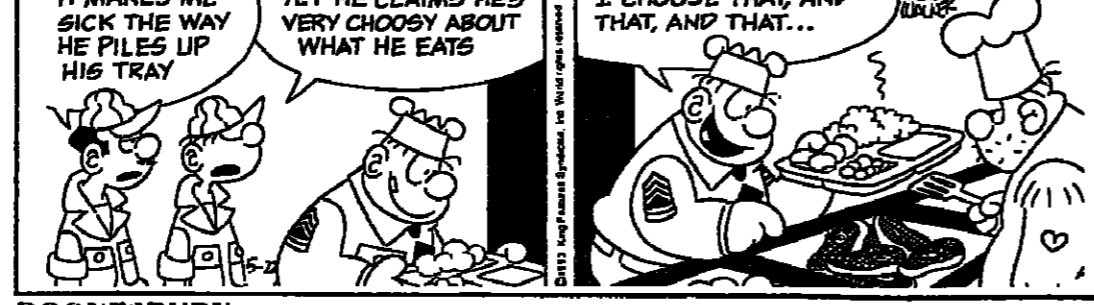
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**SPORTS**  
At Monaco P...  
The Animals...  
Camera-Bear...

**WORLDLINE**  
Gain World Tennis...

**Body** photo-R...

**Build Formula**

**Legs America** Cup

SPORTS BASKETBALL

At Monaco Prix, The Animals Are Camera-Bearing

MONTE CARLO — If you happened to live in an awfully wretched life, and you came back to this planet as a camera, there is a good chance that you would be spending this weekend here. There have been thousands of lives wasted wretchedly, and each one is here, dangling around somebody's neck, blinking pictures of absolute nothing.

By the way, I intend to prove my theory on camera reincarnation at the end of this story. But first, this: The 51st Monaco Grand Prix will be run here Sunday along the barriered, winding and bumpy-lit track of Monte Carlo, which, to make things worse, collect the year round, leaving them slick as well.

Nothing happened Friday. Most of the 30,000 people who live here permanently had already left for the weekend, and perhaps twice as many had come in their place, and at least half of them had cameras. The residents tend to leave whenever their lush concrete habitat begins sounding like the inside of a rhinoceros's stomach, which is this weekend.

He stares at everything intently, and he doesn't want you talking to him. If you try, he replies, "Uh huh. Of course, he is not really listening. He is trying to envision a scene of still life scenes that, when placed in a vinyl photo album, will not bore visitors to the point that they will never want to visit his home again. He's got that camera at shoulder level, he's got that dull, blurred look, as if behind his eyes his brain is one long undevolved roll of celluloid.

There is a question. QUESTION: You are saying that a fan of the Monaco Grand Prix takes on the characteristics of the camera, i.e., that he becomes, in essence, the camera. ANSWER: That exactly is my point.

QUESTION: Well you made that point two paragraphs ago. Will you bloody well get on with it? So, what he does when, he snaps a picture of a man sitting on a tire. "It gets a little embarrassing," the man, Paul Hamilton, a mechanic for Coworth engineering, said while sitting on the tire. "Sometimes, when you're trying to do your job, you're hard at it — and the flashes are going off in your face. In this case, it's probably making it look like we don't do anything."

It WAS HIS lunch break. He was sitting on the tire in the area where his team was waiting to resume preparation of its cars for Sunday's race. Each of the 15 Formula One teams works underneath a series of tents surrounded by buses, trucks and motor homes parked along the quai. On the other side of the quai, there are lavish yachts floating in the beautiful harbor, which is surrounded by green, grassy hills upon which buildings tower over each other bearing to be photographed. By the water on Friday, a leggy model was posing for a photographer, testering on black high heels in a tiny white dress so tight that another woman repeatedly had to pull it down hard, like a troublesome windowshade. Probably it was an everyday sight for Monégasques, but they have escaped for the weekend.

You would think their replacements would be there willing the model to teeter into the water. Instead, the pictures are being taken over where Paul Hamilton is sitting on a tire. "They take pictures of us during work, even when we're going to lunch," said George Jensen, a mechanic for McLaren. "You just have to be wearing the uniform and they'll take your picture. The Japanese especially, they're fanatical about Formula One. I was out shopping during a break for some things, and Japanese were coming up and posing with me for pictures."

It is all part of the marketing games of Formula One racing. The cars are shaped like rockets. The aerodynamics are unique. In Jensen's case, it is red pants, a white shirt with red trim along the shoulders, and advertising patches up and down the front. Jensen is sitting on a tire, and the Japanese are posing for him. On Friday, people stood, two and three deep, around them. Most were saying, "Uh huh. Why? Because they had cameras. And what were they thinking? Or worse, videotaping? Somebody draining something or unscrewing it or plugging it into something else. Your local mechanic will probably allow you to photograph him replacing your carburetor. But you won't do it. Why? Because it isn't Alain Prost's carburetor. Your mechanic doesn't wear the uniform you see on TV, and he doesn't make you stand behind a barrier. It's the same strategy that draws you to the Hard Rock Café. People are lining up outside to get inside — even when the restaurant isn't full inside.

"I took five spoons of film at the race last year," said Roberto Pacini of Glasgow, who has returned this year with two friends, and who had just finished taking a picture of Jensen glomoxiously milking a wind tunnel from the back of a truck. "I'm trying to capture the feel, the essence of the race, so I'll have them as memories. People are tolerant when they look at them. I'd say, I don't really show them much anymore." The point is, ultimately, when you die, if you've been good, you get to come back and sit on the tire. If you were bad, you take the picture. That, essentially, is reincarnation. QUESTION: What if somebody is reincarnated to write about it? How low a life is that? QUESTION: I am the editor. A check of my watch — my, but we're out of space. Thank you all for coming.

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Charles Barkley led the Suns' celebration after he sank the winning jumper with a second to go.

Last-Gasp Barkley Shot Lifts Suns Past Spurs

Charles Barkley needs no one to interpret the laws of basketball stardom. "If you want to be great, you have to be willing to take the big shot — anywhere and anytime," he said. "I always expect to hit the big shot."

Barkley was willing all right, and he hit the winning shot — a top-of-the-key jumper over the outstretched arm of David Robinson with 1.8 seconds left. The result was a 102-100 victory for Phoenix on Thursday night in San Antonio that eliminated the Spurs in six games and sent the Suns into the National Basketball Association Western Conference finals.

"I got the shot I wanted," said Barkley, who finished with 28 points and 21 rebounds. "Basically, it was a free throw." Barkley, who dominated Game 5 on Tuesday night with 36 points, said he learned all about taking clutch shots from Andrew Toney when he played for the Philadelphia 76ers.

"It felt good the second it left my hand," he said. "I knew it was in." Phoenix, having survived another hard series, now faces the winner of the Seattle-Houston semifinal. In Houston on Thursday night, the Rockets avoided playoff elimination with a 103-90 victory.

The Spurs tied the score 100-100 with 11 seconds to play on two free throws by Robinson, who had been four of eight at the line until then in the fourth quarter. But Barkley, isolated in a 1-on-1 confrontation between two of basketball's best players, clearly hit the winner.

"I thought he was going to drive by me, and then he just took the shot," said Robinson, replaying the moment over and over after the game. "I just wanted to make him take a tough shot. And he hit it."

Phoenix was not home free, yet. With 1.8 seconds left, the Spurs rebounded and got the ball to Robinson on the right side, but Oliver Miller blocked his shot and time ran out.

"He was simply unbelievable tonight," Demers said of Roy. "He is a dominant goalie. I want to give credit to Glenn Healy, who made big saves tonight. But Roy was simply unbelievable."

Mathieu Schneider started the winning play by passing from the right wing to Benoit Brunet in the middle of the ice. Brunet passed the puck to Carbonneau, who beat Healy with a 25-footer from the left side.

Roy made 31 saves, while Healy stopped 21 shots. After a scoreless first period in which New York outshot Montreal by 9-6 and played most of the time in the Canadiens end, the Islanders took a 1-0 lead at 1:36 of the second on a goal by Pierre Turgeon.

The seven overtime victories set a record for the playoffs, breaking the mark the Canadiens shared with the 1980 Islanders. Patrick Roy played a strong game in goal for the Canadiens, stopping hard shots from the slot by Steve Thomas and Ferraro, the Islanders' playoff hero, shortly before Carbonneau won it with his third goal of the playoffs.

"He was simply unbelievable tonight," Demers said of Roy. "He is a dominant goalie. I want to give credit to Glenn Healy, who made big saves tonight. But Roy was simply unbelievable."

Canadiens OT the OT Kings

UNIONDALE, New York — If this is the Nassau Coliseum, it must be overtime. Only this time, the Montreal Canadiens, not the New York Islanders, had the magic touch.

"We just tell our guys to go for it," the Canadiens' coach, Jacques Demers, said after their 2-1 overtime victory over the Islanders on Thursday night. "That's the kind of confidence we have in our team."

The victory tied a playoff record for consecutive triumphs in one season, and put Montreal within one victory of its 29th Stanley Cup final. The Canadiens have won 23 National Hockey League championships, by far the most.

When Guy Carbonneau scored at 12:34 of overtime, it gave the Canadiens 11 straight victories in one season to tie the playoff record set last year by Pittsburgh and Chicago. It gave the Canadiens an overtime victory at the Nassau Coliseum, where the Islanders have made a habit of winning such affairs and had not fallen in overtime since April 21, 1980.

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For the Spurs, it was the end of a roller-coaster season that saw the firing of Coach Jerry Tarkanian, the hiring of John Lucas and San Antonio reaching the semifinals for the first time since Robinson's rookie season.

"It was a tough year to lose, especially at home," said Robinson, who had 22 points and 14 rebounds.

bounds. "I feel like I hit a wall right now because I want to keep playing. But physically my body needs a rest."

The Suns' coach, Paul Westphal, said the winning shot went exactly as planned, except that Barkley shot too soon.

"We didn't want to leave any time on the clock," Westphal said. "We wanted to make it or miss it at the buzzer so they wouldn't have a chance to make it scary."

San Antonio took an 86-76 lead to start the fourth quarter on Sean Elliott's 3-pointer. But Phoenix immediately rallied with 12 straight points to take an 88-86 lead.

Then the fourth-quarter battle was on. The teams swapped leads four times before Phoenix finally went ahead 96-94 on two free throws by Johnson with 3:18 remaining.

The Bulls won the National Basketball Association rights to Kukoc, whom they drafted in the second round in 1990.

An Italian newspaper reported earlier Thursday that Kukoc, widely considered the best basketball player in Europe, would visit the United States next week to try to negotiate a contract with the two-time NBA champion Chicago Bulls.

Kukoc's agent, Luciano Capicchioni, told the Italian sports daily Gazzetta dello Sport that the two would travel to Chicago on Monday for talks with team officials.

The paper said Capicchioni was believed to be seeking a contract for a minimum of three years. First, Kukoc would have to be released from the remaining four years of his multimillion-dollar deal with his Italian team, Benetton Treviso. Benetton has told Kukoc it needs to know by June 10 whether he is staying or leaving.

"Obviously we are asking for a contract of several years," Capicchioni said. "Now, we are waiting for an offer from the Bulls. We know they have problems with the salary cap. Bill Cartwright and Rodney McCray, who have been mentioned as players who could be replaced by Kukoc, are playing very well in the playoffs. Our main goal at the moment is to reach a financial accord with the Bulls."

Kukoc, 24, is a 6-foot-10 (2.08-meter), left-handed shooter who can play either guard or forward.

INDIANAPOLIS — Larry Bird is apparently out and Larry Brown may be coming in as the Indiana Pacers seek a new coach.

The Indianapolis News reported Thursday that the Pacers had approached the former Boston Celtics star about their coaching job, and would take the back pain that forced Bird into retirement would keep him from taking it right now.

"The only negative we've heard is that his back may prevent him from doing it," said the Pacers' president, Donnie Walsh. "Indiana, who took Indiana State to the 1979 NCAA championship game, has served as special consultant to the Celtics since his retirement last summer.

SCOREBOARD BASEBALL

Table with columns for team names, scores, and inning information. Includes Major League Standings and National League results.

SCOREBOARD HOCKEY

Table with columns for team names, scores, and inning information. Includes Stanley Cup Playoffs and International Hockey results.

SCOREBOARD SOCCER

Table with columns for team names, scores, and match details. Includes World Cup Qualifiers and various international matches.

SCOREBOARD TENNIS

Table with columns for player names, match results, and set scores. Includes French Open and Wimbledon results.

DAVE BARRY

Welcome to Camp Muck

MIAMI — Summer's almost here, and it's time for you parents to decide about summer camp.

"Sounds great!" you're saying. "I'll start packing now!"

No, not YOU. You're not allowed to have fun: You're a parent. I'm talking about summer camp for your CHILD.

First you need to select the type of camp. Today, in addition to the traditional category of Camps With Comical Names Like "Camp Wabonga," there are many special-interest camps.

Rest assured that there will probably not be dynamite in use at the camp where you send your child. It will probably be more like the camp we sent our son to last summer.

When I was in high school, I worked at (really) Camp Sharpshooters. (Everybody: "Waniko! Waniko! Waniko! Waniko! Waniko! Waniko! Waniko! Waniko! Waniko! Waniko!")

I was on the maintenance crew with the Rotando brothers, Hank and Lou. Here is the kind of maintenance crew we were: Rather than walk as many as 15 feet to an approved trash can, we stuffed our garbage into a hole in the floorboards of our cabin.

Our job was to maintain the camp facilities, which was hard work, so instead we spent virtually the entire summer of 1962 trying to make an exploding arrow. I can't remember why we chose this particular objective, but it became very important to us, and we spent many hours constructing and testing various arrow designs.

Speaking of exploding, the highlight for the maintenance crew that summer was when we helped the head maintenance person, whose name was Hans, attempt to revive a former freshwater spring that had turned into a swamp.

Naturally this made me concerned about whether modern camps are doing a good job of teaching traditional American moral values. In my day, we would have put that stuff where it belonged. Under the floor.

looking as though he knew what he was doing, stuck numerous sticks of dynamite into the muck. Then we moved back, uncoupling the detonation wire, and when we were what Hans felt was a safe distance away, he touched the wire to a tractor battery. This was followed by what came to be known as the Rain of Frogs.

Of course the spring did not start flowing. The spring turned into a geological formation that future generations will call Big Inexplicable Muck Crater.

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Steely Dan Part III: Return of Smart Rock

By Mike Zwerin

PARIS — Steely Dan is dead, long live Steely Dan. Donald Fagen was in town on a worldwide promo tour signaling the return of Smart Rock with the forthcoming (Monday) release of "Kamakiriad" (Reprise), his first solo album since "The Nightfly" in 1982.

In the mid-70s, Steely Dan fashioned the first basic changes in rock music since the Beatles, the Stones and Jimi Hendrix, adding complex jazz chords and allegorical lyrics to the backbeat. They also took the multitrack-layering recording process developed by George Martin to a more sophisticated level.

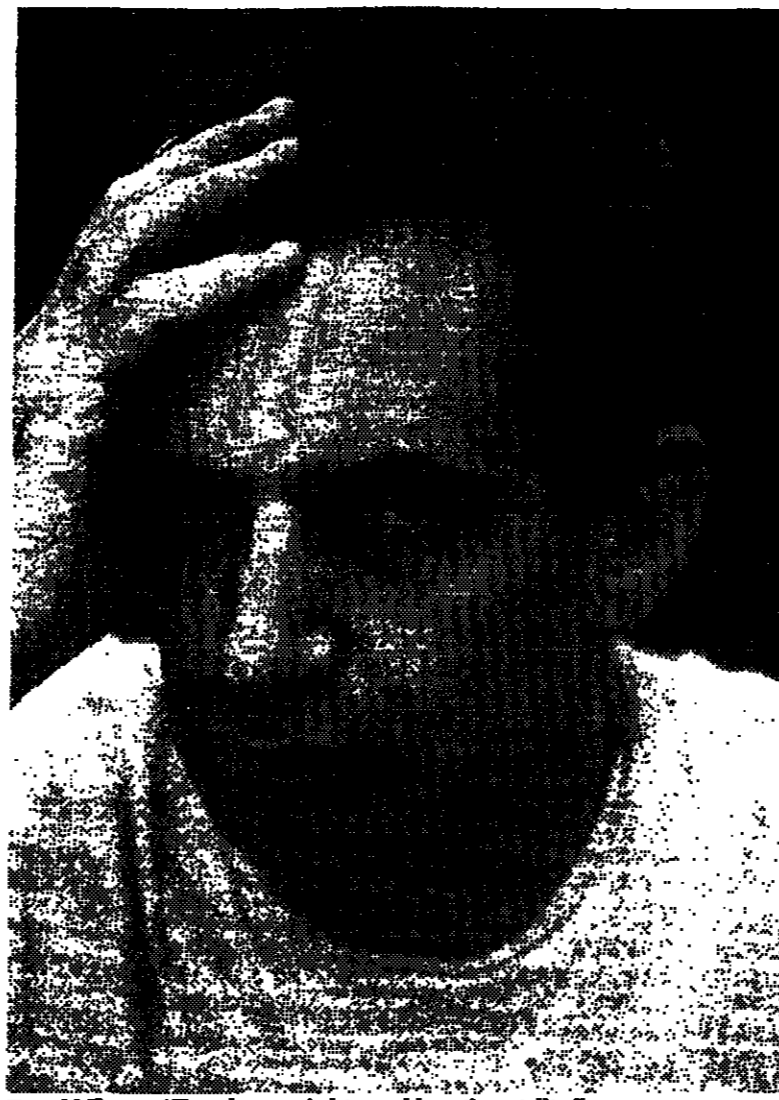
Fagen and his partner, Walter Becker, got so sophisticated the music could not be taken out of the studio. For most of its life, Steely Dan only existed on vinyl. They were described as "pseudo-jazz" (Fagen prefers to call their burmished hi-tech sound "pseudo-opolence"), obscure and overbred.

"Overbred?" Fagen stopped to consider it, then laughed. "Yeah, probably so. I'm concerned with personalized formal structure rather than so-called 'professional' pop music. I've always tried to avoid sentimentality, which is fake feeling based on illusion. There's too much of that around. I've become more suspicious of romance as I've grown older. We have to stamp out sentimentality."

Dealing with "obscure," he explained that in their early years on the road they had opened for heavy-metal bands: "The conditions were horrible, and we never really liked the combination of players we had so we just stopped touring. The idea was to work in the studio for awhile with the best musicians we could find and then regroup and go out with another band, but inertia was victorious."

Fagen laughed at his own ever-present sense of irony — some call it cynicism. A rare bird, a New York Jewish intellectual rock star, he grew up in nearby Passaic, New Jersey ("an awful suburb"), discovering the blues and Chuck Berry at the age of 13. Through late-night disc jockeys like Symphony Sid, he discovered "cool" jazz. He defines cool as "a certain kind of discretion." He's cool all right.

Having grown out of his old surly image (he is extremely shy and sung with photo opportunities), Fagen has a wide, thoughtful smile and even laughs outright often at himself. He tends to mumble out of the side of his mouth with a lot of "you knows" and "kind of," avoiding eye contact. His shyness is one reason the band stopped playing live concerts: "As friends it was up to me to talk to the audience



Donald Fagen: "I've always tried to avoid sentimentality."

between numbers. I didn't like that at all." Fagen met Becker while attending the fearlessly liberal Bard College on the Hudson River. They started writing songs together including "I'm not very proud of it but there it is" ("I Mean to Shina," recorded by Barbara Streisand, Jerry Leiber, who wrote hits for Elvis Presley, told them their stuff reminded him of German art songs.

After dropping the rest of the band in 1974, Fagen and Becker relied on quality hired hands like saxophonist Michael Brecker and Steve Khan, guitar. The phantom band called Steely Dan began to build a cult reputation until they broke through into mass sales (more than four million copies) with "Aja." They disbanded

in style, after recording the exquisitely titled "Gaucho" in 1980, which also sold platinum — musicians compare it to Sgt. Pepper.

"Kamakiriad," written by a reunited Fagen and Becker, is a suite of eight songs dealing with the future near the millennium. Fagen, who lives on the East Side of Manhattan, and Becker, who lives in Hawaii, collaborated over a WATS phone line, wearing earphones: "When you write songs you spend a lot of time thinking and we kept hearing this weird static, satellite feedback and crossed lines." Maybe that's why the material turned out so sci-fi.

The hero takes off in his steam-powered Kamakiri automobile with a frame made

in Glasgow and Balinese technology. It's a "total biosphere" with a farm in the back: "Good fresh things every day of the year." The trip takes him down "the T-Line to Bleak and Divine. Just above the good-time flats," through a "heartquake" to "spitewives," under a "counter-moon" which makes people fall out of love and to a misty beach where "my life became a joke." Along the way, he messes alien "pseudo-women," who are replacing yesterday's girls; he gets a "tittle tittle" passing Lake Nostalgia and falls into microspace: "It's even better this time around with Coltrane on the K. L. H." He recommends listeners read the printed lyrics in the album notes, "like an opera libretto."

I asked him if it had taken 10 years to write eight songs.

He said he'd had a writing block after "The Nightfly," along with a midlife crisis. He'd also been involved with "less emotionally demanding" projects such as music for "his not particularly great" movie "Bright Lights Big City" and the "New York Rock and Soul Review," a presentation of soul music he put together with Libby Titus, now his wife, Phoebe Snow, Rox Scaggs and others.

Back in the role of rock star, he feels "miscast." He listens to records by "dead" jazz, R&B and blues players. "Recently he went to hear a 'wonderful' group of Ellington alumni in a New York club and there were like 10 people in the joint. He chalks this up to America:

"Americans' attention span is so short they can't follow any sort of linear unfolding thing. They see music as association, which is where sentimentality comes in. They define their lives by sentimentality. They're thinking about themselves and the people they have relationships with in an idealized way. So music has to evoke an extremely romantic image."

"Music as structure is foreign to them. Americans have always had an essentially anti-intellectual character. One of the good things about that is they never let thought get in the way of action. They go ahead and do things other people would just think about. But it's beginning to get more negative. You end up with no content, no values."

"The reason you often see an evocation of jazz in commercials, some saxophone player for example, is that it means urban. These jeans will look good walking around the Village. They would no longer be interested if you removed the picture and heard the guy actually playing jazz. Americans are less and less inclined to follow any intellectual enterprise."

"How does that make you feel living there?" "Ummm, sort of, you know — isolated."

PEOPLE

Cheers! Millions Say Good Night to Sitcom

And there you have it, the bartender nearly got back with the waitress who had left him six years ago, but coming to his senses, he stayed with his real family, the gang at the saloon. With Thursday night's 275th episode, "Cheers" closed its barroom door as it was watched by an estimated 100 million people. The cast itself was given a warm and rowdy sendoff by Massachusetts lawmakers (the show is based in Boston) before the sitcom aired. Governor William Weld welcomed Ted Danson, George Wendt, John Ratzenberger, Rhea Perlman and Kelsey Grammer to the Statehouse in Boston with a proclamation declaring Thursday "Cheers Day" in the commonwealth. More than 30,000 Canadians gave "Cheers" a noisy send-off at the SkyDome, home of the Toronto Blue Jays, where the episode was played on the huge scoreboard screen. "It's not really American humor, it's bar humor," said a Canadian fan.

Doctors performed a minor operation on Queen Elizabeth, the Queen Mother, 92, after she complained of a slight tightening of the throat. Buckingham Palace said Friday, she was taken to Aberdeen hospital from Balmoral Castle on Thursday evening.

Richard Pryor received his star on the Hollywood Walk of Fame, where he was hailed as "a pioneer of African-American comedy." Pryor, 52, who has multiple sclerosis, told a crowd of several hundred onlookers, "I am happy ... I thank a cloudy day sunny and I thank you."

Alex Trebek denied that his show, "Jeopardy!," was rigged to favor female contestants, calling the allegation a "jeazy" attempt to promote a new book. Hours earlier, Henry Eisenberg, a former associate producer for the quiz show, held a news conference to announce the release of his "tell-all" book, "Inside Jeopardy!"

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INTERNATIONAL CLASSIFIED Appears on Pages 4 & 9

WEATHER

Table with weather forecasts for Europe, Asia, Africa, and Oceania, including high/low temperatures and conditions.

Weather forecast for Sunday through Tuesday, including a map of the United States and regional forecasts for North America, Europe, Asia, and Latin America.

Table with weather forecasts for various international locations, including Hong Kong, Seoul, and others.

BRIEF STATEMENTS By Alfio Mucci

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BOOKS

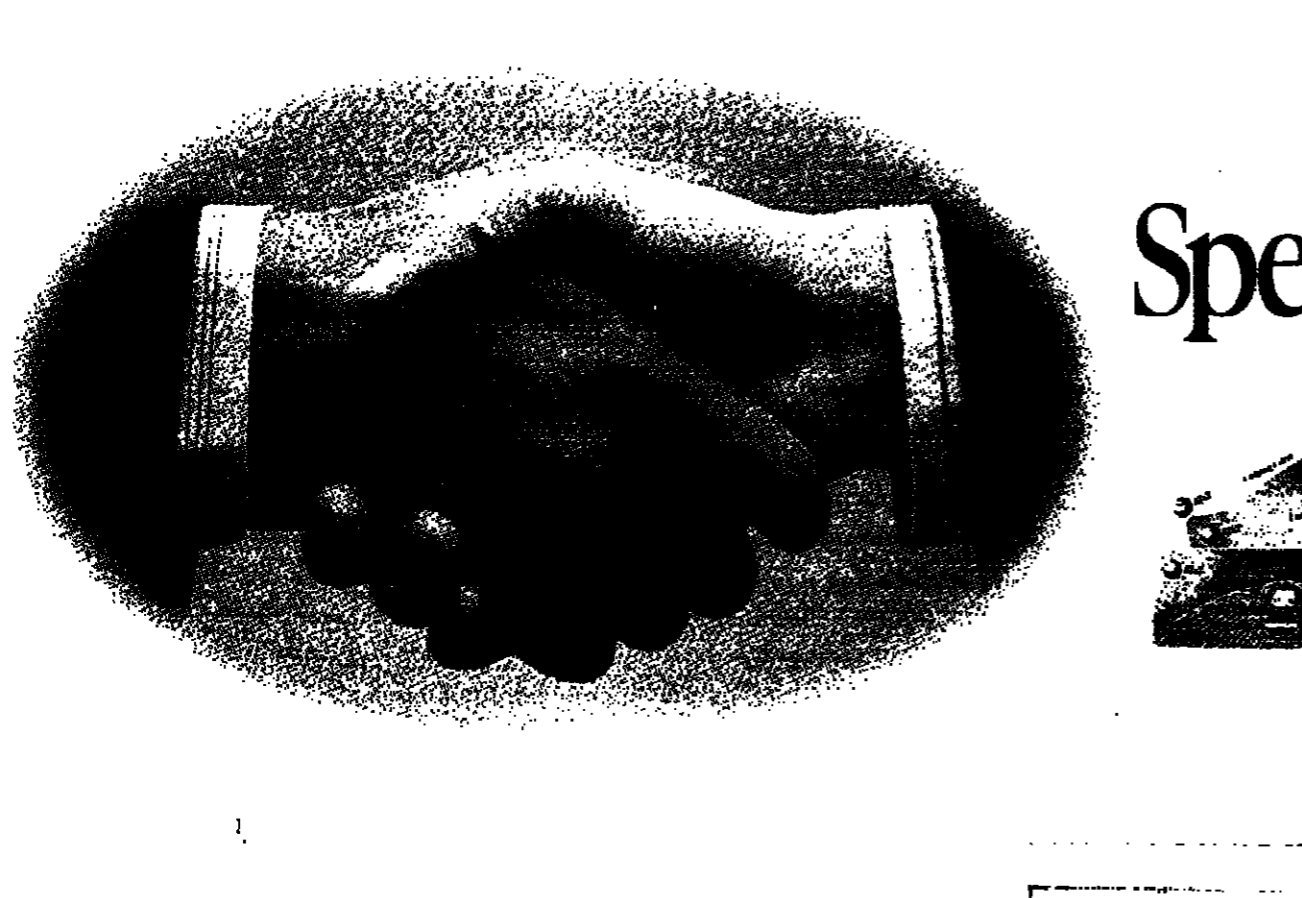
TOUCHED WITH FIRE: Manic-Depressive Illness and the Artistic Temperament. By Kay Redfield Jamison. 370 pages. \$24.95. Free Press. Reviewed by Saul Rosenzweig

biological — and aesthetic — quest. The avowed purpose of the volume is "to make a literary, biographical, and scientific argument for a compelling association, not to say actual overlap, between two temperaments — the artistic and the manic-depressive."

trayed. But that they were afflicted with the symptoms of manic-depressive disease remains unproved. Because the author does not adhere to specific diagnostic criteria, one is left with an array of vividly portrayed extremes of mood, often in relation to an artist's period of productive composition.

ferred from extremes of feeling and emotion. This work has been well researched — learnedly, indeed yearningly. Moreover, it is attractively presented in ways that will appeal to the literate reader. It is a notable contribution to the literature of genetics as related to creativity, but the alleged conjunction of a "temperament" with a disease raises more questions than it answers.

Despite the poetic chapter headings and other embellishments, this work as a whole obscures more than it illuminates the manner in which the individual artist is uniquely touched by Prometheus fire. Saul Rosenzweig, professor emeritus of psychology and psychiatry at Washington University in St. Louis, wrote this for The Washington Post.



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